

Over 1,000 join Hamas march for release of prisoners held by PNA

NABLUS (AFP) — Over 1,000 supporters of the Islamic group Hamas marched in the West Bank town of Nablus on Friday demanding the release of its members held by the Palestinian National Authority (PNA).

As the Hamas protesters marched through the town, prisoners in Nablus' Jumeid prison announced they would go on hunger strike until Palestinian officials agree to their release.

The protesters, including women and children, chanted, "No to political imprisonment" and "Palestinian Authority, we want some freedom," as they marched to the governorate building in the town, witnesses said.

At the governorate, they were met by some 200 Palestinian police, who allowed Hamas official Jamal Selim to deliver a speech calling on the authority "to release political prisoners."

Prisoners of Jumeid prison announced in posters on walls near the demonstration that they had begun a hunger strike, demanding their release ahead of Muslim 'Eid Al Adha holidays, starting in early April.

"When will our suffering end? We hope to be released for 'Eid Al Adha because we have missed too many holidays away from our families," the posters said.

The statements did not say how many prisoners were participating in the strike.

Scores of members of the Islamic Resistance Movement (Hamas) are held in Palestinian prisons, many of them for months without ever being tried, usually on charges of links to anti-Israeli attacks.

Hamas is opposed to the PNA's negotiations with Israel and has waged a campaign of violence, including suicide bombings, which have left scores of Israelis dead since 1994.



CLERGYMEN INSPECT MILLENNIUM SITE: Christian clergymen Friday inspect the archaeological site at the ancient village of Bethesda, where Jesus is said to have walked on water and multiplied bread and fish. The site, on the northern shore of the Sea of Galilee, has been excavated over the past 11 years by archaeologists from Israel and the University of Nebraska and is the first site opened to the public in preparation for the year 2000 (AFP photo)

Israeli left-wingers protest demolition of Palestinian house

HEBRON (AFP) — Israeli left-wingers made a protest visit on Friday to a Palestinian family who were beaten and arrested for trying to rebuild their home which was demolished by the Israeli army this month.

Around 50 members of the left-wing Meretz Party and peace groups visited Zuhur Al Atrash, 34, in the tent outside Hebron in which she has lived with her 10 children since their home was demolished by the army on March 3.

Joel Weinberg, a Meretz member, told AFP. "After Israeli leftists helped the family rebuild two rooms of the house, Israeli soldiers came on March 22 and arrested four members of the family and confiscated construction equipment."

When they arrested Zuhur's husband Youssef, the soldiers pushed Zuhur and her daughter, Manal, 14, to the ground and handcuffed her to a tree. They later arrested all three and their oldest son Hussam.

Hussam remained in Israeli custody.

"I am a woman alone and they have destroyed my life. They beat me, handcuffed me. But we will rebuild the house whether they like it or not," she said.

The Israeli authorities demolished the house because it was built three years ago after being refused a building permit by the army.

Suspected Franco-Israeli swindler targeted by other con artists

TEL AVIV (AFP) — Two Israelis were under arrest Friday for trying to extort money from Franco-Israeli businessman Samuel Flato-Sharon, who is being prosecuted for swindling.

Daniel Bronfman and Tzipora Amit, who works for a detective agency, allegedly told Mr. Flato-Sharon that they could buy off the authorities involved in his case for \$150,000, judicial officials said.

Notorious Turkish drug smugglers arrested in Europe — minister

ANKARA (AFP) — Five members of Turkey's most notorious drug-smuggling family were arrested Friday in coordinated police operations in three European countries, Turkish Interior Minister Murat Basesoglu announced.

Huseyin Bayhasin, leader of the Bayhasin family, and a relative were arrested in the Netherlands, while German and British police captured three of his brothers, the minister told reporters here.

between police forces of several countries." Mr. Basesoglu said, adding Turkish police were searching for two of Bayhasin's accomplices.

The family has been accused of coordinating the smuggling of tonnes of heroin from Turkey to Western Europe each year.

The minister said the Bayhasins, of Kurdish origin, were also providing the separatist Kurdish Labour Party (PKK) with financial aid.

29,000 people have been killed in the conflict. Turkey accuses the PKK of raising most of its illegal funds through drug smuggling.

Turkey lies on a main drug trafficking route from Pakistan, Afghanistan and Iran to western Europe.

Turkish police seized more than four tonnes of heroin last year, but security sources believe this is only a small fraction of the drug reaching Western Europe.

Jewish Agency director criticises Swiss bank accord

TEL AVIV (AFP) — The head of Israel's Jewish Agency criticised on Friday a deal reached in the United States between Swiss banks and families of Holocaust victims over the return of money looted from Jews by the Nazis.

"The principles of the agreement may satisfy the United States but don't meet the needs of the people who have been harmed," said Abraham Burg, head of the Jewish Agency, a semi-governmental

body dealing with immigration of Jews to Israel.

Mr. Burg told journalists it would take another year for a full deal to be reached.

Switzerland, three major banks reached a deal on Thursday in New York with Jewish families who had brought a multi-billion dollar class-action suit seeking compensation for assets looted from Jews and put in Swiss banks.

claim, and in return American state governments said they would not impose a boycott on the banks.

Mr. Burg is co-head of the World Jewish Restitution Organisation, which is negotiating with Switzerland the return of funds held in its banks, along with Edgar Bronfman, head of the World Jewish Congress.

The Tel Aviv court extended Friday the detention of Bronfman and Amit for five days.

Mr. Flato-Sharon, who was suspected of an insurance swindle, was put under house arrest at the end of January, the officials said.

Police said that four valuable and insured paintings belonging to Mr. Flato-Sharon were destroyed a year ago in a suspicious fire at a Tel Aviv exhibition.

Arrest warrant issued for Turkish ex-mayor

ISTANBUL (AFP) — A Turkish court has issued an arrest warrant for a former Istanbul district mayor accused of corruption and presently residing in France, Turkish newspapers reported Friday.

Gulay Asilturk, former mayor of Istanbul's upmarket Sisli district, is charged with embezzlement of more than \$20 million.

She is alleged to have made out a number of checks to fictitious companies, cashed them through frontmen and shared out the bags of cash between her cronies in a back room of her offices.

A flamboyant figure in Istanbul society even before these charges, Ms. Asilturk had frequently grabbed the

headlines with a much-publicised affair, divorce and remarriage to a prominent businessman last year.

After resigning under pressure in November, she moved to Nice in the south of France with her new husband.

Although five months pregnant, Ms. Asilturk faces at least ten years in jail if convicted.

Israeli, Palestinian time zone differences divide Jerusalem

OCCUPIED JERUSALEM (AFP) — For the past week, Jerusalem has been divided into two time zones as Israel and the Palestinians, who have long fought over land and rights, now fight over the clock.

Businessmen, workers, even friends have had to deal with scheduling problems caused when Israel moved its clocks ahead an hour last Thursday to start daylight savings time.

The Palestinians, taking the opportunity to show their independence from the Jewish state, have remained on the old clock, creating an hour difference between the occupied territories and Israel.

So in the occupied eastern sector of Jerusalem, Palestinians are at high noon, while across the street in the west it's one o'clock.

However, Jews living in Arab east Jerusalem and Arabs residing in Israel observe Israeli time. But thousands of Palestinian labourers who cross into Israel for work each day have had to wake up an hour earlier to reach their jobs on time, while businesses dealing on both sides of

the line have had to deal with the confusion.

"It has a big effect on clearing cheques especially," said Mahmoud Abu Tinin, head of the Palestinian Commercial Bank in the West Bank town of Ramallah.

"We had to adjust the working time of our employees so we can deal with the other side at the right times," he told AFP.

Industrialist Mazen Sunqrat said the time changes jumbled arrangements for the moving of goods to Palestinian territories from Israeli ports and border crossings. "Our economies are so greatly linked," he said.

A Jerusalemite, who identified himself only as Abu Darwish, said he and his Israeli friends made sure to spell things out clearly when agreeing to meet. "We say, 'such and such o'clock, our time, not Israeli time,'" he said.

When asked what time U.N. Secretary General Kofi Annan would meet Faisal Hussein, the top Palestine Liberation Organisation official in Arab east Jerusalem, on Wednesday, Mr. Hussein's spokesman underlined, "Six-thirty, Palestinian time."

The Palestinian leadership is expected to announce when the Palestinian clock moves forward when it meets for its weekly session this weekend.

JORDAN TELEVISION	
Tel. 773111-19	
PROGRAMME TWO	
16:10	Cartoon — Jonny Quest
16:30	French Programmes
18:10	Square One TV
18:30	Drama — Neighbours
19:00	The Journal
19:15	French Programme — L'oeuf de Colomb
19:30	News headlines
19:35	Quiz Show — You Bet Your Life
20:00	Cinema, Cinema
20:30	Prism
21:10	Drama — Sirens
22:00	News in English
22:30	Feature film: "Getting Out"
23:59	Comedy — "Are You Being Served?"
00:30	End of T.X.

PRAYER TIMES	
04:08	Fajr
05:26	(Sunrise) Dhuha
11:41	Dhuhr
15:11	Asr
17:56	Maghreb
19:14	Isha

CHURCHES	
St. Mary of Nazareth Church	Sweidh, Tel. 5920740
Assemblies of God Church Tel.	4632785

JORDAN TIMES DAILY GUIDE AND CALENDAR			
St. Joseph Church Tel. 4624590 Terra Sancta Church Tel. 4622366 Anglican Church Tel. 4624853/4624811 St. Aftem Syrian Orthodox Church Tel. 771751 Amman International Church Tel. 865897 German-speaking Evangelical Congregation Tel. 5688404 The Evangelical Local Church in Amman Tel. 811295 Church of Jesus Christ of Latter Day Saints Tel. 4654932 St. John the Baptist at De la Salle College Tel. 5661757 Church of the Annunciation Tel. 4637440 Greek Orthodox Church Tel. 4623541 Church of Presentation, Sweidh Tel. 5920146 The Uniate Catholic Church Tel. 4624757 The English-Language Catholic Parish Tel. 4614190 Evangelical Free Church Tel. 892679 The Baptist Church Tel. 4623052 The Armenian Catholic Church Tel. 771331	WEATHER Bulletin supplied by the Department of Meteorology Temperatures are expected to drop gradually during the next days and skies cloudy to partly cloudy. In Aqaba, it will be cloudy, dusty, winds southerly active, and seas rough. Min./Max. temp. Amman 07/18 Aqaba 13/25 Deserts 05/20 Jordan Valley 12/25 Yesterday's high temperatures: Amman 19 Aqaba 27 Humidity readings: Amman 39 per cent, Aqaba 57 per cent.	EMERGENCIES Food Control Centre.....4637111 Civil Defence Department.....5661111 Civil Defence Immediate Rescue.....4630341 Civil Defence Emergency.....199 Rescue Force 192.....4621111 Fire Brigade.....4617101 Blood Bank.....775121 Highway Police.....843402 Traffic Police.....896390 Public Security Dept.....4630321 Hotel Complaints.....5605800 Price Complaints.....5661176 Water & Sewerage Complaints.....897467 Amman Municipality Complaints.....787111 Telephone Information (directory assistance).....121 Overseas Calls.....010250 Central Amman Telephone Repairs.....4623101 Abdali Tel. Repairs.....5661101	USEFUL TELEPHONE NUMBERS NIGHT DUTY ANMAN: Dr. Bassam Karadash.....4389200 Dr. Ramzi Mazzawi.....894788 Dr. Salman Daboubi.....776751 Dr. Abdul Wahab Awad.....846070 Firas pharmacy.....5661912 Ferdows pharmacy.....778336 Al Asema pharmacy.....4637055 Nairoukh pharmacy.....4623672 Al Salam pharmacy.....4636730 Yacoub pharmacy.....4644945 Shmeisani pharmacy.....4637660 Najib pharmacy.....847632 IRBID: Dr. Farazi Abul Hajja.....253970 Al Qods pharmacy.....(—) ZARQA: Dr. Samir Al Lawzi.....989601 Khalifeh pharmacy.....985417
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Algerian government, union pursue talks

PARIS (R) — The Algerian government and the powerful and restive UGTA trade union on Thursday held talks behind closed doors over a 20-point list of union demands.

In a live broadcast, the state-run Algerian television said in a statement that "talks between government officials and UGTA union representatives were still under way [tonight] over a 20-point list of demands, including the creation of a national social observatory."

Results of the talks are expected to be announced later, it said, but gave no other details.

The official news agency APS said Algerian Prime Minister Ahmad Ouyahia headed the government side with Abdelmadjid Sidi Said, acting secretary-general, leading the Algerian General Workers' Union (UGTA) delegation.

Topping the union's demands are an end to staff lay-offs, a halt to the closing of state firms, and the rapid payment of salary arrears owed to thousands of union members.

The union also wants a fresh look at some enterprises which it says were shut down unjustifiably.

Anger at thousands of job losses flared last month when the union, which claims membership of one million out of Algeria's five million work force, said the social situation in the north African country had reached a "frightening stage, with layoffs and many state factories being shut."

It vowed to resist further job losses in what it termed the "brutal, anarchical, blind and barbaric, unlimited, shattering down of state-owned enterprises."

Algeria, which relies on oil and gas exports for more than 95 per cent of its foreign earnings, has been trying to switch its economy to a free market after nearly three decades of centralised socialist-state management.

Previously, the government poured billions of dollars into such large, inefficient companies, fearing that anger at large-scale job losses might drive the unemployed into the ranks of Islamist rebels.

But official data earlier this month showed that the industrial sector's workforce had shrunk to 196,520, after losing 48,900 jobs last year. The loss of jobs was paralleled by a fall in production which slumped 7.2 per cent from the year before.

Earlier this month, the union called out on a 24-hour 100,000 workers strike in the metallurgy and mechanical industry sector, paralysing Algeria's main industrial hub in Rouiba, east of Algiers, and the Al Hadjar steel complex in Annaba in the northeast.

DEPARTURES	
Royal Jordanian (RJ) Flights	
05:00	Aqaba (add) (RJ)
06:20	Beirut (RJ)
08:35	Berlin (RJ)
09:35	Frankfurt (RJ)
11:15	Aqaba, Paris (RJ)
11:30	Amsterdam, New York (RJ)
12:00	Colombo (RJ)
12:00	Geneva, Brussels (RJ)
12:15	London (RJ)
12:30	Cairo (RJ)
17:00	Jeddah (add) (RJ)
20:00	Jeddah (add) (RJ)
20:15	Bombay (RJ)
20:20	Lamaca (RJ)
21:00	Abu Dhabi, Dubai (RJ)
21:15	Isanbul (add) (RJ)
23:00	Jeddah (add) (RJ)
23:45	Riyadh, Dhahran (RJ)
23:45	Jeddah (RJ)
01:15	Aqaba, Paris (add) (RJ)
03:30	Jeddah (add) (RJ)
ARRIVALS	
Other Flights	
13:15	Riyadh (SV)
15:05	Vienna (OS)
18:00	Dubai, Damascus (EK)
21:10	Paris, Damascus (AF)
22:30	Athens (OA)
22:35	Cairo (MS)
23:30	London, Beirut (BA)
23:35	Amsterdam (KL)
03:25	Rome (AZ)
ARRIVALS	
Royal Jordanian (RJ) Flights	
07:15	Aqaba (add) (RJ)
Royal Wings (RW)	(No flights on Saturday)
Royal Wings (RW)	(No flights on Saturday)

Private hospitals win initial approval to raise fees

By Suha Ma'ayeh
Special to the Jordan Times

AMMAN — The Private Hospitals Society (PHS) on Friday said it had won initial approval from private sector health insurance companies to raise treatment fees at Jordan's private hospitals by 20 per cent.

Mahmoud Taher, head of the association, added that the PHS and representatives from the insurance companies are expected to sign an agreement this Thursday.

"Under the deal, a revision of prices will be made at least once a year, and accordingly, the increase of prices will be based on treatment fees," said Dr. Taher.

Private hospital doctors have said the cost of treatment has tripled and the current pricing scheme does not reflect actual costs.

The present cost of treatment covered by private health insurance was last revised in 1991, and most prices are based on an agreement reached in 1982.

As far as the medical fees are concerned, Dr. Taher said the medical association decided to raise the prices and Minister of Health and Medical Care Ashraf Kurdi has approved the decision.

"We are waiting for approval from the Prime Minister, then it will be published in the official newspapers," he added.

The first increase of prices was higher than what the minister expected, so he readjusted them," Dr. Taher said.

what's going on

AMMAN INTERNATIONAL THEATRE FESTIVAL

- * Jordanian play "A Roaming of Self" at the Ahliah School for Girls, Jabal Amman at 11:00 a.m.
- * Indonesian play "Ramayana" and Egyptian play "Spinning Lives" at the Royal Cultural Centre at 7:30 p.m. and 9:00 p.m. respectively.

CONTEST

- * Recitation contest of F.G. Locaro's poems at Insouto Cervantes, Jabal Amman at 6:30 p.m.

LECTURE

- * "Syria's Role in the Peace Process in the Middle East" (in Arabic) by Dr. Volker Perthes at the Institute of Diplomacy on Sunday, March 29 at 3:00 p.m.

EXHIBITIONS

- * Paintings on handmade paper at Noor Al Hussein Foundation, off Wadi Sagra St. (Tel. 5699141/2), until April 25.
- * "Colours of Life" at Books@Cafe (Tel. 837931/2), until March 31.

- * Works by late Iraqi artist Seddik Almadani at Hammurabi Art Gallery, Gardens Street (Tel. 5695027), until March 29.

- * Works by Jordanian artist Youssef Baddawi at Darat Al Funun, Jabal Weibdeh, until April 9 (Tel. 4643251/2). Also displaying a private collection of Mamdouh Bishara, entitled "A Vision, An Identity" and works by contemporary Arab artists — "The New Collection".



PRINCESS SUMAYA GIVES BIRTH TO BABY GIRL: The Royal Hashemite Court announced Friday that HRH Princess Sumaya, the daughter of Their Royal Highnesses Crown Prince Hassan and Princess Sarvath, gave birth to a baby girl on March 26. Prince Hassan has named the baby Sukaina, according to a Royal Court statement. Princess Sumaya is married to Nasser Judeh, director of the Jordan Radio and Television Corporation. The couple are also the parents of twins, a boy and a girl born on May 9, 1994, who are named Tareq and Zein-Al Sharaf (Petra photo)

World Bank loans health ministry \$5 million for personnel training

By Suha Ma'ayeh
Special to the Jordan Times

AMMAN — The Ministry of Health and Medical Care has taken out a \$5 million loan from the World Bank to educate and train ministry employees.

Minister of Health and Medical Care Ashraf Kurdi underlined the importance of developing medical training and education.

"Doctors, nurses, technicians, pharmacists, dentists, managers, economists and others will be attending lectures, work-

shops and training courses," Dr. Kurdi told the Jordan Times in a recent interview.

The ministry is expected to sign an agreement soon with the University of Jordan to form academic units at Al Bashir Hospital.

"We will also establish a highly qualified educational system and encourage medical training and education among personnel.

Moreover, lecturers from abroad will conduct training courses and workshops in cooperation with the medical services, the Uni-

versity of Jordan and the private sector," Dr. Kurdi said.

He pointed out that several doctors have been sent to the Mayo Clinic in the U.S. and others are scheduled to go in the future.

"There are several universities that are willing to cooperate with us in terms of training and practice," Dr. Kurdi added.

The ministry, in association with the British Council, will send a team of doctors to Britain to study first aid and emergency response.

Lecture highlights need for awareness of prostate cancer

By Nadia Mukhlis
Special to the Jordan Times

AMMAN — As part of raising awareness among the public and health care professionals, Al Amal Centre recently held a lecture on prostate cancer entitled "The Biggest Cancer Threat to Men."

Prostate cancer hits one in every four men above the age of 55 in the United States, a National Cancer Institute (NCI) study showed.

The prostate, a walnut sized gland, is located below the bladder and in front of the rectum.

Prostate cancer symptoms include frequent urination, difficulty starting or holding back urine, inability to urinate, weak or interrupted flow of urine, blood in urine and frequent pain or stiffness in the lower back, hip or upper thigh, according to doctors at the lecture.

A diagnosis to determine if prostate cancer is present includes the patient's medical history, blood tests and other tests to help distinguish between benign and malignant conditions of the prostate, they explained.

If the test results indicate the possibility of cancer, the patient must undergo a biopsy, which is the removal of a small amount of prostate tissue, usually with a needle, for examination by a pathologist.

Prostate cancer is often bro-

ken down into four stages: Stage A: The cancer cannot be detected and the tumours have not spread beyond the prostate.

Stage B: The tumour can be felt but has not spread beyond the prostate.

Stage C: The cancer has extended outside the prostate to nearby tissues.

Stage D: The cancer has spread to nearby lymph nodes or other parts of the body, mostly commonly to the bones.

The treatment for such patients can include surgery, radiation therapy or hormone therapy, and sometimes patients receive a combination of all three.

On the downside, the patient may face such side effects as permanent impotence, urinary incontinence, loss of appetite, nausea and vomiting.

The lecture was attended by over 150 persons from different backgrounds.

The four specialists' lectures were entitled "Prostate Cancer: Prevalence and Treatment Options" by Michel Ayoub, "The Pathology of Prostate Cancer" by Dhabir Salman, "Radiotherapy of Prostate Cancer: New Approaches" by Abdul Latif Mousa, and "Imaging of Prostate Cancer" by Ahmed Merli.

According to centre officials, the lecture was part of an ongoing awareness cam-

paign for both the public and health care specialists.

"We have witnessed cases in which patients were not diagnosed properly at an early stage and had to undergo more difficult treatment," said Dina Ra'ad, director of public and international relations at the centre.

One of the centre's main objectives is sharing knowledge and information, Ms. Ra'ad said, adding that "we have our doors open to all doctors who feel the need to address people and draw attention to any medical issue."

"We have also seen several cases which proved that general physicians do not 'always' have enough awareness of cancer," Ms. Ra'ad told the Jordan Times.

Promoting cancer awareness and the importance of early detection are major goals of the centre, Ms. Ra'ad explained.

The centre, which is considered to be the first comprehensive cancer research foundation in the region, has treated around 15 cases of prostate cancer so far, she added.

The centre is a non-governmental, non-profit organisation that was created through contributions from Jordanian citizens and institutions and organisations in the Netherlands and other countries, who also assisted in setting up and supplying equipment for the centre.

Jordan, Israel agree on new joint tourism programme for Aqaba, Eilat

AMMAN (J.T.) — A joint Jordanian-Israeli meeting held in Aqaba to stimulate tourism in the two countries has ended with an agreement on what was termed the "Aqaba-Eilat Tourism Programme."

Simon Khouri, who represented the Jordan Hotels Association (JHA) at the meeting, was quoted by the Jordan News Agency, Petra, on Friday as saying that the agreement provides for large tourist groups to spend three

days in Aqaba and four in Eilat.

Mr. Khouri said the meeting was a follow-up to talks held between Minister of Tourism and Antiquities Akel Biltaji and his Israeli counterpart at an international tourism conference in Berlin earlier this month.

The two ministers placed the finishing touches to the Aqaba-Eilat accord, he added.

The agreement follows reports that the tourism

industry has been suffering recently due to the regional political situation.

Leading tour and travel operators said that many tourists have cancelled their trips and that many of the five-star hotels are now offering their rooms at off-season rates. Two tourist transport companies, the Jordan Express Tourist Transport (JETT) and Alpha, have cancelled their daily routes to tourist destinations because the low number of customers

has made them financially unfeasible, the reports said.

Mr. Khouri told Petra that he expected the deal to open up new opportunities for the tourism industry in southern Jordan.

The Aqaba meeting also tackled a full marketing programme and the publication of booklets on Aqaba hotels as part of the new programme, which Mr. Khouri said will be marketed by the national air carrier, Royal Jordanian, in Europe.

Women's directorate to begin public awareness series

By Hind-Lara Mango
Special to the Jordan Times

AMMAN — Under the patronage of HRH Princess Aisha, the Directorate of Women's Affairs (DWA) of the Jordan Armed Forces (JAF) will officially launch the first of a series of public awareness events Sunday pertaining to the women's health care programme.

"This health awareness event is the beginning of what is hoped to become a monthly event for women working at the JAF," said HRH Princess Basma Ali, head of the Manpower and Supply Section DWA.

She told the Jordan Times that breast and cervical cancer "will be the main health care issues to be focused on at this event since these are very serious in Jordan."

Princess Basma Ali said it is hoped that the knowledge gained by these women will be carried over to the female members of their families.

The DWA has been working on the women's health care programme for the past year. It was initiated as a result of the noticeable number of women at the JAF taking sick leave, Princess Basma Ali said she believed that by focusing efforts on preventive medicine through proper nutrition, fitness and general health, "the standard of output will be much higher."

A questionnaire has just been completed to be distributed to women working in the JAF to "find out the state of women in the army," Princess Basma Ali said. She said the information will then be fed into a computer to establish a medical profile for each woman working in the army.

"In this manner we can tailor our public awareness campaigns to specific needs."

The DWA has also been cooperating with the Defence Advisory Committee for Women in the Services (DACOWITS) in the United States.

"We are hoping to promote medical courses for women here to go to DACOWITS and train in health issues. We could also have a professional from DACOWITS coming to train the maximum number of cadets here," Princess Basma Ali said.

Japan extends \$6.4 million grant for emergency medical services

AMMAN (J.T.) — The government of Japan has provided a \$6.4 million grant to help finance the purchase of equipment needed to enhance emergency medical services in Jordan, according to a Japanese embassy press release.

Over 20 hospitals will benefit from the grant, which aims at establishing an efficient medical network to help those in need of emergency medical service.

An agreement to this effect was signed Thursday at the Ministry of Planning by Minister of Planning Rima Khalaf and Japanese Ambassador Koichi Matsumoto.

The grant will help finance the purchase of a diagnostic set, an emergency set, three CT-scanners, general X-ray equipment, ultrasonic scanners, and neurosurgical instruments, in addition to other equipment necessary for emergency treatment, the statement said.

The donated equipment, which will be installed at designated hospitals all over the Kingdom, will help enhance the efficiency of their emergency departments and provide basic assistance to patients.

In remarks after the signing ceremony, Mr. Matsumoto

said: "Japan is pleased to make such a contribution to the medical sector in Jordan to help citizens enjoy a higher standard of medical services at a time of rising demand for health care."

"Japan will continue to extend support to medical services in the Kingdom, in addition to the general assistance provided to the Jordanian government," he added.

This grant brings Japan's overall contribution to the medical sector in Jordan to \$128 million in the fiscal year 1997, which ends on March 31, 1998, the statement concluded.

U.N. arms experts inspect Iraqi presidential site

(Continued from page 1)

Richard Butler said on a visit to Baghdad this week that he had seen a "new spirit of cooperation" from Iraqi authorities.

UNSCOM officials have said in the past they believe Iraq has consistently misled them and concealed material related to chemical, biological and ballistic weapons in order to keep hold of a banned arsenal.

Sanctions imposed on Iraq for its 1990 invasion of Kuwait cannot be lifted till UNSCOM gives Iraq a clean bill of health.

Twenty senior diplomats are gathered in Baghdad to accompany the inspectors on their visits to the

presidential sites, addressing Iraq's request that its symbols of national sovereignty be respected during the inspections.

These "first baseline" visits, which are expected to be completed around April 5, aim to inspect and survey the eight presidential sites in detail for possible future inspections.

Although UNSCOM insists the inspections will be "no-notice" visits, the presence of the diplomats has reduced the element of surprise.

U.N. officials, who believe Iraq is still concealing material related to banned chemical, biological or ballistic weapons, say they have few expecta-

tations of finding any incriminating material on their first visits.

But they say the baseline "inspections" are important both to gather information for future checks and also to cement the principle of unfettered access for their work.

Diplomats said the inspectors would conduct detailed internal and external surveys of the sites while a helicopter surveyed them from the air. The sites are scattered from the Gulf port of Basra in southern Iraq to Mosul 950 km to the north.

Arab Bank doubles capital by issuing bonus shares

(Continued from page 1)

A credit rating for the bank to help it access cheaper global financing was expected to be assigned within two months, Mr. Shoman added.

He said credit agencies were linking the rating for the bank, the only global Jordanian bank, to the country's sovereign debt, although only 20 per cent of Arab Bank's deposits are in Jordan.

The country's rating is below investment grade due to its high debt. Arab Bank has evolved

into one of the region's major financial institutions, surmounting political upheaval in the Middle East since its establishment in Jerusalem in 1930.

Mr. Shoman said the bank would preserve its conservative policy of maintaining high liquidity to ensure its survival in the turbulent region.

The liquidity ratio fell to 51.4 per cent in 1997 from 55.75 in 1996 as the bank invested more to boost its returns.

"People blame us for keeping a high level in cash even though we are utilising it in other banks. We

know the uncertainty in the region and we want to preserve this unique institution," Mr. Shoman said.

The bank is the Arab World's largest privately held bank, with only 11 per cent owned by Arab governments, including Kuwait and Saudi Arabia. The rest is owned by mainly long-term investors, 47 per cent of whom are non-Jordanian Arabs.

Its shares, which account for over a third of the Amman bourse's capitalisation, have risen 30 per cent since the start of 1997.

(See budget on pages 7-13)

Common problem of obesity sparking health-conscious 'awakening' among Jordanians

By Munther Murjan
Special to the Jordan Times

AMMAN — A growing number of Jordanians are turning into health-conscious consumers, though obesity remains one of the most common problems in the country, nutritionists say.

There are many reasons for this trend: to fit into various social groups, to feel light or to look good for a lover or a spouse.

"More and more Jordanians are witnessing an awakening" nutritionist Suha Khalaf told the Jordan Times.

She said the phenomenon was common in all age groups and among various social classes, regardless of their educational

backgrounds.

However, obesity remains a common problem in Jordan, which still lacks specialised centres for treating severe cases of food disorders such as bulimia and anorexia.

Doctors and officials said they had no figures on the number of Jordanians suffering food-related problems.

"We have various food disorders such as obesity, when a person's weight exceeds the ideal body weight," Ms. Khalaf said. "This is found in nearly all age groups," she added. "We also have bulimic and anorexic people."

Nutritionist Rana Asfour added that most of her patients were females.

"In general, most food disorders are quite simple to treat by a nutritionist," explained Ms. Asfour.

"I try to modify [eating patterns], I try to encourage them to eat healthy food and I try to encourage them to exercise," said Ms. Khalaf.

"In cases of bulimia and anorexia, we have to treat them from a psychological point of view. They have problems, they have conflicts with themselves and some keep struggling to find their identity," Ms. Asfour said.

"We have to teach them how to deal with food and consider food their friend, rather than an enemy, and to change the way they think of themselves and their bodies," she added.

"Treatment may include coun-

selling for the patient, counselling for the family, and group therapy," said Ms. Asfour.

"We do not have a specialised eating disorders treatment centres... and these people have deep psychological problems and need counselling in addition to the help of the nutritionist," Ms. Asfour said.

Many Jordanians, especially middle and upper class citizens, are heading to health fitness centres mushrooming across Amman to keep fit, trainers say.

In addition, most watch their food, despite temptation from scores of fast food joints and restaurants, once a rarity.

"We have a lot of fast food restaurants... lots of people are liv-

ing off junk food and that is why problems such as obesity exist," Ms. Asfour said.

But many traditional families, who have long hailed full and rounded female bodies as a sign of health and beauty, disagree.

"Young adults usually watch their weight because they want to look good and because it is a demand by fashion. If you want to wear the latest, you have to be of a certain weight and size," said Ms. Asfour. "Early to mid-20s, they want to look good enough to get married."

Many restaurant owners and waiters say most customers appear keen on watching their figure.

"But we also get some who do not care a lot about what they eat,

they just eat," said cafeteria attendant Yasser Abdul Nabi Jaber. "However, some seem to be aware of what they eat, and ask for things that usually have less fat."

Nutritionists in Jordan have gained importance over the last decade, but many Jordanians still see their services as a luxury.

"Following a diet can be expensive here in Jordan," said Ms. Asfour.

"Dieticians do not charge a lot, but it is the [food] programme itself that can be costly, as certain items for programmes have to be imported and the woman of the house can end up cooking between two and three different menus a day, which is both expensive and time consuming," she said.

Yeltsin names Kiriyenko as premier

MOSCOW (AFP) — President Boris Yeltsin Friday nominated young reformer Sergei Kiriyenko as prime minister, and threatened to dissolve parliament if it rejected the appointment.

Announcing sweeping cuts in the size of government and promising plenty of new faces in the new executive, Mr. Yeltsin formally put forward Mr. Kiriyenko as Russia's new premier to the state Duma, or lower house of parliament, and warned deputies not to deny him his choice.

"I am telling them as president — save time by forming a new government faster and go forward," Mr. Yeltsin said, adding that if the parliament rejects his candidate three times it may be dissolved. "I am not trying to scare it, but I will make no concessions. That is useless."

"This is a new figure," Mr. Yeltsin said in announcing his choice on Russian Radio. "In government as energy minister he showed his professional capacities and human qualities."

Mr. Kiriyenko, 35, emerged from the relative obscurity of the energy ministry as firm favourite for the top government job after Mr. Yeltsin sacked his entire government Monday and asked the young oilman to draw up a new government team and political programme.

"Sergei Vladilenovich (Kiriyenko) has told me in details of his reform plans," Mr. Yeltsin said. "They are serious plans, and we need that. Reforms have become bogged down somewhat. We must give them a second wind, bring them to a new level."

Mr. Yeltsin's appointment threatens a new showdown between president and parliament, as Communists who dominate the lower house have warned they would oppose Mr. Kiriyenko's candidacy, citing his inexperience.

Under the constitution, the lower house of parliament has to approve the president's nomination for prime minister for a new government to be formed. If it rejects the candidate three times, the president can dissolve the chamber.

The Duma's Communist Speaker Gennady Seleznyov responded to Mr. Yeltsin's announcement by saying that Mr. Kiriyenko would have to convince more than just the president of his political and economic intentions.

"The candidate to the premier post should be ready to put to deputies the programme which the new government is planning to implement, and answer all questions of deputies so they can judge the level of his competence," Mr. Seleznyov said, adding that the Duma would likely dis-

cuss Mr. Kiriyenko's candidacy next Friday.

Communist Party number two Valentin Kuptsov added that Mr. Yeltsin's move "shows his character and his incapacity to understand the points of view of the opposition."

"We have said that this man does not have experience and that the government which he heads up can only be temporary," Mr. Kuptsov said.

"I cannot speak for the whole of the party, but I will vote no in the first, second and third rounds," he added.

Mr. Yeltsin also warned Friday that his government shake-up would not be the cosmetic reshuffle which some outgoing ministers were hoping for, pledging to bring in new faces and vowing that the executive and its staff would be reduced by half.

The staff will be cut not by 20 people but will be halved, Mr. Yeltsin stressed, adding that his own presidential staff would also be cut back.

Mr. Kiriyenko, whose meteoric rise from provincial oil executive to energy minister and now government chief in waiting, prepared for his new role Friday by moving into the office vacated by Viktor Chernomyrdin, sacked Monday after five years in the hot seat.

He received immediate support from his close ally

Boris Nemtsov, deputy premier in the outgoing government, who said his nomination was "a very good and totally expected decision."

Markets also welcomed the news, with stocks showing gains of more than one per cent on the day as a result of Mr. Yeltsin's announcement, according to one Moscow broker.

"A lot of uncertainty has been taken out of the market," said Gary Kinsey of the Brunswick brokerage, adding that stocks rose on Mr. Kiriyenko's nomination and also on an oil sector rally which followed a decision by the Russian government to support the industry by scrapping transportation tariffs.

Earlier Friday, Mr. Yeltsin also signed Russia's much-delayed budget for 1998, enshrining in law the spending blueprint for the team which Mr. Kiriyenko draws up.

The final version of the finance bill, which was delayed in the Duma for five months amid furious political horse-trading, forecast a 132.4 billion ruble (\$22.06 billion) budget deficit, equivalent to 4.7 per cent of gross domestic product.

More importantly the budget allows the government to revise spending plans if its traditionally weak revenue collection fails to reach planned levels.



Russian President Boris Yeltsin (left) invites Acting Prime Minister Sergei Kiriyenko to take former Prime Minister Viktor Chernomyrdin's chair in White House (Reuters photo)

Cambodian premiers not to oppose pardon for royalist generals

PHNOM PENH (AFP) — Cambodia's two prime ministers will not oppose royal pardons being granted to deposed Prince Norodom Ranariddh's top military commanders, a senior government official said Friday.

Chief government spokesman Khieu Kanharith said First Prime Minister Ung Huot and powerful Second Prime Minister Hun Sen would respond positively to a request to grant the pardons from King Norodom Sihanouk.

"If they get a letter from the king, they will not oppose the pardons," he said.

His comments followed requests to the king for pardons from the wives of four senior royalist commanders convicted along with the prince on security charges by the Phnom Penh military court.

It was not immediately clear if King Sihanouk, who is now in seclusion in

Beijing, had received the requests as he had not forwarded them to the co-premiers, Khieu Kanharith said.

The wives asked that the pardons be granted to Nhek Bun Chhay, Prince Ranariddh's top military commander, and three of his lieutenants, Seret Kosal, Thach Suong and Chao Sambath.

Nhek Bun Chhay was sentenced to 24 years in prison in absentia on charges of colluding with the outlawed Khmer Rouge to topple the government and arms smuggling.

Seret Kosal faces 30 years in prison for on the collusion charge as well as an earlier conviction for antiquities theft.

Chao Sambath, who is believed to have been killed following Prince Ranariddh's violent ouster last July, was sentenced to 20 years on the collusion counts.

Those three men have also been ordered to pay

more than \$54 million in compensation for damages to property and lives caused by the fighting.

Thach Suong, the prince's chief bodyguard, was given a two-year suspended sentence by the court for arms smuggling.

Pardons for the four men are considered essential by many in the international community who feel that without them, they might continue to fight and thus destroy a Japanese-sponsored peace plan aimed at allowing the prince to return home and participate in July's scheduled elections.

Prince Ranariddh, who plans to return to Cambodia Monday, faced 35 years in prison for colluding with the Khmer Rouge and arms smuggling as well as an order to pay a portion of the damages.

The prince was pardoned by King Sihanouk last week, clearing the penalties against him and paving the way for his return.

Norway's FM to visit Russia after spy row

OSLO (AFP) — Foreign Minister Knut Vollebaek leaves for Murmansk Sunday for a two-day trip to Russia — the first by a Norwegian government member since a spy row erupted between the countries.

Mr. Vollebaek will have talks with the Murmansk Governor Yuri Yevdokimov and with the commander of the Russian North Fleet, Admiral Oleg Yeryofeyev, ministry officials say. Mr. Vollebaek goes to Murmansk as chairman of the Barents Council, but according to informed foreign ministry sources, Mr. Vollebaek was not sure to get a visa until a few days ago.

The breakthrough came in bilateral talks with Russian Foreign Minister Yevgeny Primakov in Bonn Wednesday during a meeting of the Contact Group on former Yugoslavia.

During this meeting the two foreign ministers agreed to put the spy scandal behind them, officials said.

Norway expelled five Russian diplomats March 12 for alleged espionage. Russia retaliated five days

later by kicking out two Norwegians — one from the Moscow embassy and the other from the consulate general in Murmansk. During the Bonn talks Mr. Primakov repeated the official Russian stance that Norway overreacted by expelling five Russians, while Mr. Vollebaek stressed that Norwegian authorities had no choice.

During his talks with Mr. Primakov, Mr. Vollebaek also got the green light for a visit to Moscow by Oil and Energy Minister Marit Arnstad, scheduled for mid-April.

Discussions are also under way for an official visit by Prime Minister Kjell Magne Bondevik, originally planned for March 17-18 but postponed due to the spy row.

According to Mr. Vollebaek, Mr. Primakov stressed that the Russian leadership is looking forward to a planned state visit by Norwegian King Harald in late May. The visit that will take the Norwegian royal couple to Moscow and St. Petersburg.

European hostage released in Chad

N'DJAMENA (AFP) — The last of eight Europeans abducted in Chad five days ago was freed Friday, officials said.

The eight tourists — six French and two Italians — were kidnapped Sunday as they were visiting the

Tibesti region of northern Chad.

Security forces freed seven of them earlier in the week. The one freed Friday was an Italian man, the officials said.

An armed opposition group has claimed responsibility for the abduction.

Suspected French serial killer confesses to 2 of 7 rape-murders

PARIS (AFP) — A suspected French serial killer Friday confessed to two rape-murders following his arrest as the prime suspect in the killings of at least seven women in Paris since 1991.

Judicial sources said Guy Georges, a convicted rapist, had confessed to the rape-murders of 19-year-old Magali Siroiti in December 1997 in the northern 19th district and that of Pascale Escarfaile, also 19, in January, 1991, in the southern 14th district.

He had been suspected of involvement in those two killings but had been charged Thursday for three other murders and the attempted killing of a fourth woman on the basis of DNA tests.

Georges, an unemployed drifter, was charged with the "murder and rape" of three women and attempted murder by investigating Magistrate Gilbert Thiel. He was detained in the Sante Prison in Paris.

The 35-year-old suspect, who was seized by officers on a routine patrol outside a Paris metro station Thursday in the Pigalle area, denied the charges in more than three hours of questioning.

Police said they had positively identified Georges through DNA tests as the man wanted in connection with seven murders and one attempted murder committed between 1991 and 1997, mostly in the Bastille area of central Paris.

His DNA linked him to the three rape-murders and one attempted murder he has been charged with, sources said.

According to a preliminary investigation presented to the judge, there is one possibility in a billion that Georges is not the "Bastille killer," as he was dubbed by the press.

Police sources said Georges had been sentenced to 10 years in prison in 1985 for the rape of a woman in an underground car park in Nancy, eastern France.

It was not immediately known how long he served, but first-time offenders in France normally get early release after serving only half their sentences.

The sources said Georges had subsequently been arrested in connection with a series of sexual assaults in Paris.

It was in the course of those arrests that a DNA sample was taken, they said, but at the time he

was not linked with the serial killings, and no attempt was made at a DNA match.

His lawyer, Michel Henriquet, said Georges was "stunned" by the accusations. "He does not even know what the three letters DNA mean."

Mr. Henriquet said he may ask for a second opinion from genetic experts, fearing that the police had gone "very, very quickly in this case."

"Medicine is not an exact science," he said. Mr. Thiel had earlier in the day issued an arrest warrant for Georges after police released his photograph, saying they were sweeping east Paris homeless shelters that he was known to frequent.

Police had released a composite sketch of the suspect and a photograph of a T-shirt of his that was found at one of the murder scenes. The sketch had portrayed a man of "Mediterranean origin," while Georges is of West Indian origin.

A police telephone hotline set up as part of the probe has received more than 3,000 calls since it was set up in November of last year.

Shanghai dissident sentenced to three years in labour camp

SHANGHAI (AFP) — Shanghai dissident Yang Qinheng has been sentenced to three years in a labour reeducation camp, a dissident source said Friday.

Mr. Yang's younger brother Yang Qiming confirmed that the detention order signed by the Shanghai Labour Reeducation Administration Commission was delivered to their father Friday afternoon.

"The order said he was sentenced for disrupting social stability. He will be in labour camp from Feb. 27, 1998 to Feb. 26, 2002," he said.

The authorities alleged that Mr. Yang stirred social unrest by giving an interview on China's unemployment problem to Radio Free Asia and Voice

of America which was aired on Jan. 27. Yang Qiming said.

Mr. Yang had given his name and contacts on the programme enabling two listeners to get in touch with him, the younger brother said.

"I am very surprised because when they arrested him they did not say anything about this. I am surprised that they have sentenced him to three years for such a matter," he added.

Shanghai police arrested Mr. Yang, 44, on Feb. 26 and took away documents including petitions to the National People's Congress (NPC), the Chinese parliament, and documents other dissidents had placed with Mr. Yang for safekeeping.

Mr. Yang was among 17

signees of a petition to the NPC to reassess the June 4, 1989 pro-democracy movement and to release political detainees.

He had earlier been taken into custody on Feb. 9 for allegedly meeting with U.S.-based dissident Wang Binzhang who slipped into the country last month to try and set up an opposition party but was released the same day.

Mr. Yang, a long time activist and the son of an underground Communist Party worker, has been jailed twice before, once in 1983 for spreading counter-revolutionary propaganda and in 1994 he was sent to a reeducation through labour camp for three years for allegedly storing drugs.

Landmine campaigners welcome progress by Belgrade, Moscow

BUDAPEST (AFP) — Anti-landmine campaigners welcomed Friday signs of progress by key "recalcitrant" countries, including Russia and Yugoslavia, in outlawing the deadly weapons.

Speaking to a regional conference here, they said Moscow and Belgrade appeared to be taking note of the worldwide protests against the mines since the signing last December of the Ottawa Convention seeking a worldwide ban.

In particular Belgrade was reported to have told delegates at the conference that it would soon ban exports of mines.

"That is good for a step," said Nobel Peace Prize laureate Jody Williams on the second day of the meeting of delegates from 19 former Communist countries to forward the implementation of the Ottawa Treaty.

Neither Moscow nor Belgrade have so far joined the Ottawa Convention, signed by 122 countries in the Canadian city last December in what was hailed as a landmark step in banning the weapons.

Yugoslav officials gave assurances to the conference after Ms. Williams singled out Belgrade Thursday for criticism over its refusal to ban landmine exports. No Yugoslav delegate was available for comment.

"It is important to bring the recalcitrants on board," she said.

The Budapest conference is being organised by the Hungarian government, the International Campaign to Ban Landmines (ICBL) and the International Committee of the Red Cross (ICRC).

Ms. Williams stressed that there was still work to be done in Russia.

"We still need them to sign the treaty, we need them to destroy their stockpile, but there is progress in Russia, for sure," she said.

That success was due to public awareness, "it is a reflection of the desire of governments not to stay outside the tide of history even if they are not quite ready yet to sign the treaty," said Ms. Williams.

"One of the unsung victories of this campaign is the fact that Russia has had no significant exports anywhere in the world in the past 3.5 years," she added.

Military charges U.S. marines cablecar deaths

WASHINGTON

The four U.S. marines whose fighter jet crashed into a cablecar, killing 20 people at an Italian Alpine ski resort, have been charged with negligent homicide and involuntary manslaughter, a Defence Department official said Thursday.

The crew now faces the military equivalent of a criminal grand jury hearing, which could lead to court-martial proceedings. A date for the so-called Article 32 hearing was to be announced early Friday.

"The four marines have been charged with negligent homicide, involuntary manslaughter, damage to military property, damage to private property and dereliction of duty," the official said.

After a preliminary investigation, the U.S. military blamed the crew for causing the Feb. 3 accident when its EA-6B prowler jet, flying too fast and far too low, severed cablecar wires and sent a gondola plunging into an icy mountainside at a resort near Aviano, Italy. The damaged plane later landed safely.

The jet was piloted by marine Captain Richard Ashby, 30, of mission Viejo, California. Other members of the crew, who were on a temporary assignment at Aviano, included Capt. William Raney, 26, of Englewood, Colorado; Capt. Joseph Schweitzer, 30, of Westbury, New York; and Capt. Chandler Sea-graves, 28, of Nineveh, Indiana.

The four members of the crew returned to Cherry point, their home base near Havelock, North Carolina, on March 14.

Italy had asked the United States to band over jurisdiction in the case if an Italian investigation determined the four should face charges of multiple negligent homicide and reckless endangerment of public transportation.

But the commander of U.S. forces in Europe, General Wesley Clark, decided after consulting with the defence department not to give up jurisdiction.

Under a NATO agreement dating to 1951, the United States has the right to jurisdiction over the officers because they were on official duty when the incident occurred.

Relations between Italy and the United States suffered as a result of the disaster at the Cavalese ski resort in the dolomite mountains. Angry Italians accused the U.S. military of trying to hide information from the plane's flight recorder.

President Bill Clinton said at the time of the accident he was "heart-sick," and he promised Italian Prime Minister Romano Prodi a full investigation into the matter.

The twin-engine electronics-warfare plane was flying below 500 feet, far lower than regulations allow, when it clipped the cable, snapping the wire and sending the car cabin plummeting 650 feet.

All 20 people inside the cablecar were killed. They included holiday-makers from Italy, Germany, Poland, the Netherlands and Austria.

The plane, based at Aviano as part of a NATO force flying missions over Bosnia, was on a routine training mission at the time of the accident.



African President Nelson Mandela (left) with U.S. e

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South African President Nelson Mandela waves as he and U.S. President Bill Clinton enter Tuynhuis, Mandela's Cape Town office, for a meeting. Mr. Mandela was later to give Mr. Clinton a tour of Robben Island where he was imprisoned for 19 years (Reuters photo)

Mandela defends relations with U.S. enemies

CAPE TOWN (AFP) — President Nelson Mandela, in a joint news conference with U.S. President Bill Clinton, Friday staunchly defended South Africa's friendly relations with Cuba, Libya and Iran — regarded as rogue states by Washington.

"Our moral authority dictates that we should not abandon those who helped us in the darkest hour of the history of this country," Mr. Mandela said after a bilateral meeting with Mr. Clinton.

Mr. Mandela, who praised Mr. Clinton for his instinct as a world leader, urged the U.S. leader to make peace with his country's enemies. He said the United States "should set an example to all of us to help eliminating tensions throughout the world and one of the best ways of doing so is to call upon its enemies to say let's sit down and talk peace."

The 79-year-old leader those in South Africa who were critical of this policy "can go and throw themselves into a pool."

Mr. Mandela said South Africa had "serious reservations" about Washington's Africa trade policy, one of the central planks of Mr. Clinton's four-day visit to the country, the first by an incumbent U.S. president.

"This is a matter over which we have serious reservations and to us it is unacceptable," said Mr. Mandela. Pretoria has given the policy, enshrined in the U.S.-Africa Growth and Opportunity Bill currently before U.S. legislators, a cool reception as it believes it will result in much needed U.S. aid to the region being cut.

But Mr. Clinton immediately responded: "If the bill becomes law it will increase the access of all African

nations to the American markets without conditionality."

The South African president also hinted at outstanding policy differences on the proposed African Crisis Response Initiative (ACRI) which the two leaders discussed. The Washington initiative is a bid to encourage African countries to assume greater responsibility for regional peacekeeping, and it is no secret that the U.S. wants South Africa to play a bigger role.

"We supported the initiative very fully," said Mr. Mandela in response to a question.

"All South Africa is saying is that a force which is intended to deal with problems in Africa, must not be commanded by somebody outside this continent. I certainly would never put my troops under somebody who does not belong to Africa."

Two Koreas agree on food shipments

BEIJING (AFP) — The Red Cross Societies of North and South Korea agreed Friday on a 50,000-tonne aid package for starving North Korea, officials said.

"An agreement has been reached on the aid package for North Korea," said Johan Schaar, regional representative for the International Federation of Red Cross and Red Crescent Societies.

Top negotiators from the two sides — Choi Kyung-Lin, general secretary of the North Korean Red Cross, and Lee Byung-Woong, his counterpart in the South — entered a private room to finalise the agreement at 1830 local time (1030 GMT).

The deal covers 50,000 tonnes of aid to be delivered

to the North by the end of May.

This fifth round of talks started Wednesday, but was swiftly bogged down by the very issue that scuppered the last round of talks — monitoring of aid distribution.

Until the surprise announcement, officials from the South Korean embassy and from the international federation indicated that monitoring remained a major stumbling block on the donations and said talks would continue through Saturday.

But South Korea dropped its demand that South Korean officials monitor the aid and agreed to monitoring from the international federation.

The U.N. Food and Agricultural Organisation

said earlier this month that grain stocks in North Korea will be exhausted by the end of April, making the country totally dependent on foreign food aid until its next harvest in September-October.

Floods in 1995 to 1996 devastated North Korea's agricultural production, which suffered further last year as a result of searing drought, tidal waves and typhoons.

The situation has been worsened by the increasing isolation of the hard-line Communist regime following the collapse of the Soviet bloc.

South Korea's Red Cross provided two tranches of food aid in 1996 totalling 100,000 tonnes.

Relatives prepare to bury dead but Philippine plane crash unsolved

CAGAYAN DE ORO, Philippines (AFP) — The Philippines Friday prepared to bury the victims of its worst air disaster, but grieving relatives are still waiting for answers to the crash which killed 104 people.

Cebu Pacific Air has scheduled a mass burial Saturday for the remains of the victims which have not yet been identified — 54 days after its 31-year-old DC-9 jet slammed into a mountain outside this southern city on Feb. 2.

All 104 people aboard died in the crash on the isolated mountainside but it took several days before searchers could hack their way through the dense jungle to reach the site.

Then they could find only scattered, pulverised body parts, few intact enough to identify.

Families of some of the victims were put up in hotels by the airline Friday so they could attend the ceremony.

Only 58 of the victims have been positively identified and the unidentified remains are to be buried at a private cemetery here, airline officials said

Friday. According to the official report released last month, 23 people have so far been identified.

An inter-religious ceremony with Roman Catholic, Protestant and Muslim leaders officiating, will be held at the burial site representing the faiths of all who died.

However, a team of forensic experts from the British-based Global Partners Ltd., have taken samples from the unidentified parts and are to carry out further DNA tests to see if they identify any of the victims.

If a match proves positive, the parts, which have been classified and sorted into 200 coffins, could be exhumed and returned to their next of kin, a Cebu Pacific source said.

The search for possible survivors in the early hours after the accident turned into a grueling and grisly task for rescue teams.

Volunteer rescuers and troops had to hack their way up the steep mountain, battling hunger, fatigue as well as leeches and snakes and sleeping on the damp and mossy forest floor.

Air force helicopter pilots, penetrating a thick cloud canopy on the mountain, were only able to land on the summit a few days after the accident, once trees had been felled to clear makeshift landing pads to bring food supplies and retrieve the cadaver bags.

The airline source said it was decided to hold the mass burial because the decaying remains were becoming a "health hazard."

Most relatives agreed to the mass burial, the source added, even though some families are having a hard time accepting their loved ones have been killed.

Publisher Bethuel Ortalez, a relative and friend of several of the victims, says "there are parents who cannot accept that their children were killed because they have no bodies or even clothes."

Rumours that communist guerrillas who operate near the mountain where the crash occurred may have taken the survivors have bolstered faint hopes that there may indeed have been survivors. Mr. Ortalez said.

OSCE chairman arrives in Belgrade

BELGRADE (AFP) — OSCE chief Bronislaw Geremek came to Belgrade Friday seeking what he called "clear and positive answers" from Yugoslav leaders on the embattled Albanian-majority province of Kosovo.

"We are looking for clear and positive answers to three proposals which the Organisation for Security and Cooperation in Europe (OSCE) has formulated," Mr. Geremek said after the talks with Yugoslav Foreign Minister Zivadin Jovanovic.

The first proposal, he said, was that Belgrade accept the OSCE mission to Yugoslavia headed by former Spanish Premier Felipe Gonzalez.

The second called for "the return of the three OSCE long-term missions in three Yugoslav regions: Kosovo, Voj-

vodina and Sandzak," Mr. Geremek said.

And the third was for a round-table dialogue to provide a forum for improving relationships between Kosovo Albanians and the Belgrade authorities.

"We are still expecting to obtain during our visit to Belgrade clear answers to these three offers," Mr. Geremek said.

Belgrade has rejected international mediation in Kosovo, which it insists is an "internal" issue.

Mr. Geremek, who is the Polish foreign minister, was also to meet here with opposition leaders Vuk Draskovic and Zoran Djindjic, diplomats said. However, talks with presidents Slobodan Milosevic of Yugoslavia and Milan Milutinovic of Serbia were not confirmed.

His visit followed Thursday's intervention by U.S. envoy Robert Gelbard, who tried to keep the heat on Belgrade over Kosovo but got little support from the Contact Group on Yugoslavia.

The six-nation Contact Group Wednesday had given Belgrade a four-week grace period before imposing tougher sanctions, intended as time for the authorities here and the independence-seeking Kosovo Albanians to reach a compromise.

Mr. Geremek, who was also to go to the Kosovo capital Pristina for talks with the provincial Albanian leader Ibrahim Rugova, said Thursday that Mr. Milosevic had given his "preliminary agreement" to the idea of round-table talks.

Mr. Gelbard, the top U.S. envoy to the Balkans, warned in

Pristina Thursday: "Time is not on the side of the (Belgrade) government; time is their enemy."

But even though Britain offered to support the hard-edged U.S. stance, the action by the Contact Group — Britain, France, Germany, Italy, Russia and the United States — appeared to take the steam out of the U.S. effort.

At least 80 people have been killed in recent weeks in Kosovo after Serbian security forces clamped down on ethnic Albanians. Kosovo's two million people are 90 per cent Albanian, but the 150,000 Serbs there, and the Serbian authorities in Belgrade, control the province.

Mr. Rugova said earlier Friday that the Albanians were expecting "much more" from the Contact Group, and

"hailed the energetic engagement of the U.S. Secretary of State Madeleine Albright" during the group's meeting in Bonn Wednesday.

"However, we demand much more from the Contact Group and we expect that their positions on Kosovo will be applied fully and it will be more engaged," Mr. Rugova said.

Kosovo's ethnic Albanians want independence or at the very least autonomous republic status within Yugoslavia, and have refused to talk with a delegation from the Serbian government, saying they will only meet federal representatives.

German parliament rejects expanding nationality rights

BONN (AFP) — The German Lower House of Parliament Friday rejected a bill that would have allowed some children of immigrants to automatically become German nationals with dual citizenship.

The ruling coalition of Chancellor Helmut Kohl held its majority in parliament on this issue, with the Free Democrats (FDP) voting with the coalition's two Christian Democrat parties, despite protests expressed in a lively debate from Free Democrats who want citizenship laws to be revised.

The government immediately hailed the vote as a sign of its cohesion.

Interior Minister Manfred Kanther said it was "a big success for the coalition" and "a political sign that the coalition is keeping to its agreements."

Mr. Kohl's coalition, fighting for reelection in September general elections, was desperate to maintain unity since it had lost a vote recently in parliament on electronic surveillance when the FDP voted with the opposition Social Democrats (SPD).

The vote Friday was 338-317, with three abstentions, on the proposal which had come from the upper house, the Bundesrat, where the SPD has a majority.

SPD deputy Cornelia Sonntag-Wolgast said it was a pity that politics to save a "brittle coalition" were more important than passing a significant law.

The proposed reform of the 85-year-old nationality law had specified that children born in Germany to at least one immigrant parent who had also been born in Germany would qualify.

Currently, German citizenship is determined by blood lines, so that only children of German citizens automatically are considered Germans.

This means that in most cases immigrants do not become German citizens, even in cases where several generations have lived in the country.

Dual citizenship is permitted in most European countries.

About 50 Karen killed in revenge raid in Myanmar

MAE SOT, Thailand (Rt) — At least 50 people were killed inside Myanmar (Burma) late Thursday when Karen National Union (KNU) rebels launched a revenge attack on the camp of a break-away faction, Thai border police said.

The rebels launched a surprise attack and fired mortars at a makeshift movie theatre at the camp of the Democratic Karen Buddhist Army (DKBA) — a group that broke away from the predominantly Christian KNU in 1994.

Women, children and pro-Myanmar guerrillas were killed in the attack at the group's headquarters about five km north of the Myawadi border town, Thai border police told reporters.

The attack was made

while people were celebrating Myanmar's armed forces day.

Thai police said the mortar shells landed on the movie theatre which was packed with about 60 people. The theatre went up in smoke and many people were either trapped inside or killed by cross-fire that ensued.

Mortar and small arms fire lasted about an hour, and the KNU torched about 200 houses and razed a saw mill belonging to their rivals, the Thai sources said.

Five stray mortar shells landed in this border town inside Thailand, but caused no damage or casualties, they said.

A KNU spokesman said the rebels seized a large amount of weapons from their rivals during the raid, and also captured

two enemy officers alive.

The DKBA split from the KNU in 1994, claiming religious discrimination, and joined forces with the Myanmar government army.

Soon after it was formed, the DKBA began raids into Thailand, attacking and burning camps housing about 100,000 Karen people who have fled the decades of fighting between the rebel Karens and the Myanmar army.

The KNU raid was seen as a revenge for a series of attacks launched by the DKBA on refugee camps inside Thailand earlier this month.

The DKBA, who the Thais say are backed by the Myanmar government army, have razed and raided several refugee camps along the border, killing at

least five and leaving thousands homeless.


The Thai government has threatened retaliation if the attacks continued.

The Myanmar government issued a statement saying it was not encouraging anyone to attack the camps.

"It is not the policy to violate the sovereignty of a neighbouring country," said the statement, obtained by Reuters Friday.

The statement also said the KNU had launched other attacks on villages inside Myanmar, burning down houses and wounding several people.

The DKBA say they want all the Karen refugees living in Thai camps, many of whom support the KNU, to return to the areas which are under DKBA control.



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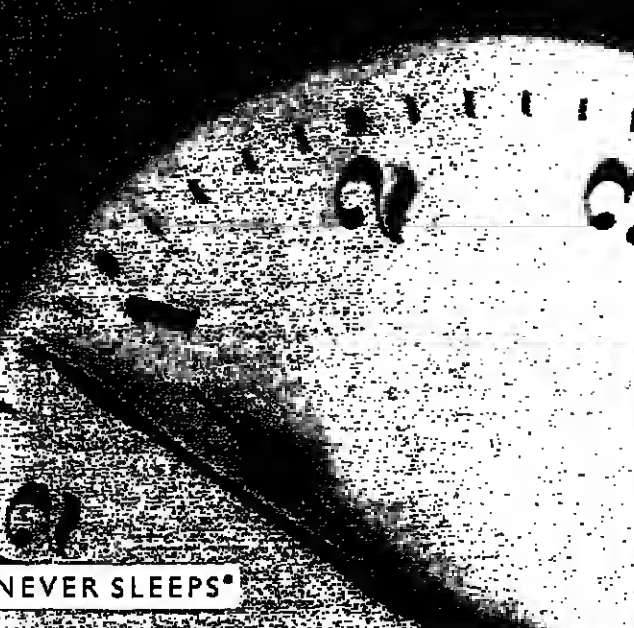
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Mandela's words of wisdom

SOUTH AFRICAN President Nelson Mandela's advice to visiting American President Bill Clinton that the U.S. should set an example for "the rest of us to follow" is a statement of wisdom at a time when the world is being divided into two types of countries: Those subjected to sanctions and others which are not.

According to Mandela, "one of the best ways of doing so is (for the U.S.) to call upon its enemies to say: let's sit down and talk peace."

The South African leader explained that his words of advice, alongside his "controversial" invitation to the leaders of Cuba, Libya and Iran to visit his country come from the "moral authority" manifested in him through his long struggle against apartheid and from his determination not to forget the support his people received from these nations, when such help was crucial in the fight against his enemies.

The explanation serves as a reminder that such countries as those being portrayed today as "evil" are in fact the ones that struggled alongside Mandela to help him get rid of evil, a victory respected and revered by the whole world including Clinton and his administration.

Sitting down and talking peace with Cuba, Libya and Iran would allow the U.S. the opportunity to win them over instead of deepening conflicts with them. Even if not won over, face-to-face talks would ease tension around the world and bring about justice at a time when sanctions have proven merely devastating and pointless.

But conflict resolution, unfortunately, is not the aim of certain groups benefitting from crisis or who have a political agenda of their own. In order for President Clinton to introduce profound change in the course of U.S. foreign policy he first has to change a strategic set of rules he inherited, which is not an easy task for any president.

Nevertheless, it has to be said, even from a distance, that Mandela's words of wisdom, are and have to be in harmony with America's national interests. True, we may be no way near being able to prove to, much less convince, the U.S. that its interests are best served by observing and respecting the U.N. Charter, which calls for resolving all conflicts and disputes by peaceful means. But for someone like President Mandela to utter such words of wisdom anyway speaks volumes about how much needs to be done in the future.

ARABIC PRESS COMMENTARIES

Al Dustour's Nawaf Zaru criticised U.N. Secretary General Kofi Annan saying his visit to Israel has exposed his double standard policy regarding the problems of the Middle East. The writer pointed particularly to Annan's demand that the Palestinians exert more efforts to contain what he called acts of terrorism when he realises too well that it is Israel which is exercising terrorism in theory and practice represented mainly in its continued repressive acts against the people of occupied Palestine. The writer said Annan has called on the Israelis and the Palestinians to try to solve their differences through negotiations, but he realises quite well that the Israeli government has closed the door on all negotiations by announcing its disregard of the Oslo accord and its refusal to implement its provisions. Referring to Iraq, the writer said, while Annan insists that Baghdad execute all U.N. resolutions he does not direct any criticism to Israel which rejects outright the implementation of resolutions concerning Palestine.

Al Rai's Zeid Hamzeh criticised the government for insisting on introducing a law by which it can control the savings funds of private sector institutions. The majority of deputies in Parliament have voiced their rejection of the government's plans, and these represent the majority of people in Jordan, said the writer. Also the public view about the government's plan was expressed in the numerous articles and columnists' commentaries in the local press, all of which voiced total rejection to the government's plans, he pointed out. The writer said Jordanian citizens suspect the government's intentions and have no confidence in its moves, and the government's plans, though they have not been approved, have shaken the people's confidence in the idea of savings. The government might shelve this plan for the time being in the face of the almost unanimous opposition displayed by the public, but it might reconsider it once the outcry has subsided or at a later more convenient time, according to the writer. He said there can be no point for the government to pass a law which the people reject and there is no advantage to the government losing public confidence.

Jordanian Perspective

The slap felt round the world

By Dr. Musa K...

LAST WEEK's visit to the Middle East of U.N. Secretary-General Kofi Annan left us with a bitter aftertaste, given that it did not produce any sign that Annan might have something up his sleeve in the way of persuading Israel to drop its intransigence and its refusal to abide by mandatory U.N. resolutions that would clear the way for a just and comprehensive solution to the Arab-Israeli conflict.

The hopes that Annan would carry something new to the region stemmed from the success he had in February in convincing Iraqi President Saddam Hussein to accept that the best available option to move towards an end to the U.N.-imposed sanctions on Iraq was to cooperate with U.N. weapon inspectors searching for the country's arsenal of mass destruction. The fruit of Annan's effort in nudging Saddam to see that the only way the Iraqi government can advance towards an end to the sanctions is by dealing with the U.N. weapons inspections is most highlighted by the positive comments made by senior U.N. weapons inspectors about Iraqi cooperation and confirmed by none other than Richard Butler, head of the United Nations Special Commission (UNSCOM).

From our vantage point in Jordan, we felt, and still feel, that Annan set a very positive precedent in highlighting the role of the U.N. in resolving problems around the world by stepping in where all other diplomatic efforts have failed in the logjam between Iraq and the United States. Annan managed to shift the focus of the situation from Washington to the U.N., and apparently cornered the U.S. where it had no choice but to accept the deal he made with Iraq or risk exposing itself as being bent upon the destruction of Iraq regardless of the actual thrust of the Security Council resolutions.

But we now realise that the inkling of a positive precedent was misguided. Obviously, the pre-mission "brief" that Annan received from Washington was to lay off new initiatives to revive the Middle East peace process and simply go through the motions of reviewing the implementation of selected U.N. decisions in the region — mainly the presence of U.N. peace keepers in the area.

But the Israelis reinforced the growing despair among many in the region by giving Annan a treatment that was unworthy of the secretary-general of the U.N. The scathing criticism of the U.N. that was heard in the Israeli Knesset while Annan was in the gallery and the pressure that the Israeli government implicitly applied to thwart a visit to the Al Aqsa by the U.N. chief was the reflection of the arrogance of the Jewish state.

Such an attitude, no doubt, could not have been there had it been for the implicit and explicit support that Israel's "friends" in Washington extended. The net message Israel sought to give Annan was that the entire international community except Israel and its supporters is misguided on the realities of the situation.

The message that Israel, by virtue of its status as an independent country, cannot be forced into anything — as asserted by the speaker of the Knesset — reeked of the arrogance with which the Jewish state is dealing with calls for the implementation of U.N. resolutions as the basis for peace with Israel. That was expected of course. But what we did not hear from anyone else was any note of the reality that Iraq, another independent country with much more political history than the State of Israel — is under constant threat of mil-

itary action if it does not obey the U.N. and implement Security Council resolutions.

That indeed could be old hat, but it becomes very relevant when we see the Annan visit to the Middle East in the context of a potential role for the U.N. in Arab-Israeli peacekeeping similar to the effort put in by the secretary general to defuse the Iraq-U.S. crisis.

We have also heard voices suggesting that Washington is indeed sending Annan as an implicit warning to Israel that the whole peace process could be turned over to the U.N. if the Jewish state failed to accept the latest American proposal to break the stalemate in peace talks.

Even if we were to swallow that argument for a moment, the vehemence with which Israeli leaders treated Annan clearly indicates that it was not indeed the case; unless, of course we see immediate signs that Washington took Israel's snubbing of Annan as a snub of the U.S. itself (not that it would be the first time Israel snubbed the U.S. and got away with it).

Clearly, the ball is in the court of the international community, which, after several decades of inefficient U.N. diplomacy, has come to slowly accept that the U.N. indeed should be considered as an effective forum to deal with international crises. The treatment the Israelis accorded Annan was a slap in the face of the very concept of the U.N.; it was not Annan who was insulted, but the entire international community which he represents.

What if?

By Thomas L. Friedman

THE U.S. and Israel are heading for a fateful week. President Clinton has indicated to Prime Minister Benjamin Netanyahu that the U.S. wants to present to Israel and the Palestinians a compromise proposal that it believes can break the deadlock between them. If they both accept it, that would be ideal. But if not, the U.S. would have to explain publicly who is holding up the peace process. The Clinton proposal reportedly calls for a 13 per cent further Israeli redeployment from the West Bank in three stages over three months, in return for specific changes in Palestinian behaviour that would have to be implemented roughly in tandem with the Israeli pullbacks. These include Palestinian crackdowns on incitement to violence, unequivocal abrogation of the Palestinian Covenant and a range of security undertakings. But for weeks now, Mr. Netanyahu, knowing that this U.S. proposal was coming, has been fighting a guerrilla diplomatic war — using Congress and Jewish leaders — to get it killed.

Watching all this, the thought occurred to me: What if Bibi surprised everyone and said yes to the U.S. compromise? What would happen?

Well, to begin with, Mr. Netanyahu's approval rating among Israelis would probably soar from around 40 per cent to around 75 per cent, leaving the Labor Party leader, Ehud Barak, completely in the dust. (A recent poll in Israel shows a majority of Israeli Jews favour-

ing the 13 per cent U.S. compromise, 71 per cent favouring a more active U.S. effort to get Mr. Netanyahu and Palestinian leader Yasser Arafat to the table, and 81 per cent wishing Mr. Clinton would bring them to Camp David.) Mr. Netanyahu would have enough public support to form any government he wanted — including a national unity government with Labour — on his terms.

Within Mr. Netanyahu's own ruling coalition some far-right members would bolt, but Bibi could govern without them. The National Religious Party, a key bloc in his coalition, would have to decide whether it is an extremist movement committed to holding all the West Bank or a party that understands there must be a compromise and it's better to do it now under condi-

tions of strength.

Ariel Sharon, who also has one foot in the Likud and one in the extreme right, would have to decide whether to follow Bibi in supporting the compromise — in which case Mr. Sharon could play an important role in bringing along the other religious parties — or attack Bibi, in which case Mr. Netanyahu could use his popularity to marginalise Mr. Sharon.

Mr. Netanyahu could easily hint any of Mr. Sharon's arguments by pointing out that most of the U.S.-proposed 13 per cent redeployment actually involves turning over West Bank areas now entirely controlled by Israel to Palestinian civilian control — but with Israeli troops still maintaining overall security control.

Meanwhile, Mr. Arafat would be in a panic. He knows this plan would be a good deal for Israel and he's only tentatively saying yes because he thinks Bibi will say no. Mr. Arafat would also understand that, by embracing the U.S. plan, Mr. Netanyahu was closing the breach between Israel and the U.S. and uniting all American Jews and Congress behind him. This would give Mr. Netanyahu an overwhelmingly powerful position vis-a-vis Mr. Arafat going into final-status negotiations.

In Baghdad, Saddam Hussein would have heartburn. He would understand that Mr. Netanyahu's embrace of the U.S. compromise means America's Arab allies will not be able to hide behind Israeli intransigence as an excuse for not joining the next anti-

Saddam crusade.

In Damascus, Hafez Assad would be unnerved, seeing a new phase of strategic partnership between Israel and the U.S. that could only weaken Syria's position.

Finally, such a move would force everyone to give Mr. Netanyahu a second look. By having whittled the U.S. down to 13 per cent (the Palestinians wanted 30; Bibi is offering 13), it would establish him as a negotiator rather than the Labor Party, but also one who appreciates the importance of the U.S.-Israel relationship. Those who say Mr. Netanyahu is a fraud who has been trying to kill Oslo but blame Mr. Arafat for it would have to reconsider.

Yes, what if?

— The New York Times

M. KAHIL



'Kofi Annan's tour fare not better than Robin Cook's'

REVIEWED BY ELIA NASRALLAH

U.N. SECRETARY General Kofi Annan's tour of the Middle East developments in the Middle East itself, the situation in Iraq and Jordanian domestic problems were central themes of Jordanian press commentaries last week.

Al Rai's Mahmoud Rimawi compared Kofi Annan's tour with that of the British Foreign Secretary Robin Cook noting that the two missions were of different nature. While Annan declared that he has no plans to revive the stalled peace process although noting that the process should be based on U.N. Security Council Resolution 242, Cook was open in his bias towards justice demanding that Israel refrain from committing any move that would endanger the peace process. Annan, whose moves were restricted by the U.S.-dominated Security Council came as a missionary advocating the cause of peace and peaceful co-existence without

offering any initiative to the conflicting parties to help them end the deadlock while Cook openly criticised the Israeli settlement programme which he described as obstructing the peace process, according to the writer. Rimawi said Annan cannot absolve himself or the U.N. organisations from the duty of taking serious moves towards forcing Israel to implement the resolutions of the world body.

Al Dustour's Yasser Zaitreh cast doubt on Annan's tour saying that the man focused most of his attention on Israel's withdrawal from southern Lebanon but did little to stop Israel's illegitimate measures and its violations of the U.N. resolutions. There is a big question mark hanging over Annan's mission because the secretary general announced clearly that the U.N. cannot interfere in the Arab-Israeli issue and it is leaving the whole matter to the U.S. mediation efforts but, in fact, it is the responsibility of the U.N. to intervene and see that the U.N. resolutions are implemented.

THE WEEK IN PRINT

Al Rai's Muness Razzaz called on the Arab countries surrounding Israel to take a lesson from Hizbollah fighters whose perseverance and daring attacks on the occupation forces prompted Israel to announce its intention to give up the occupied territories. Razzaz said the Arab states not rush to secure Israel but rather

plans to make Israel's occupation so costly that the Jewish state would beg them to be allowed to withdraw peacefully. If a few thousand of the resistance force succeeded in inflicting heavy casualties on the Israelis and force them to withdraw, the many thousands more of determined Arab resistance forces can achieve a similar result on a bigger scale, concluded the writer.

Rashid Hassan, a writer for Al Aswaq, said the Oslo accord was instrumental in ending the Palestinian armed conflict against Israeli occupation and putting an end to the infada. This is a major achievement for the Israelis who have always sought a very convenient and comfortable occupation of Arab territory and a situation that would allow them to pursue the building of settlements unperturbed, said the writer. Now that the Israeli forces have withdrawn from the major towns in accordance with the Oslo agreement, they are no more exposed to stone throwing in

the rural regions which are still under their control, according to the writer. He said no wonder Netanyahu is so inflexible and is unwilling to withdraw from the remaining parts of the occupied Palestinian territory, and no wonder the Israelis disregard the U.N. resolutions and scoffing at the Arab Nation's demands.

Al Arab Al Yawm's Saleh Qallab addressed the issue of the mission of the weapons inspection teams in Iraq saying that the U.S. is waiting for Iraqis to make one mistake in order to justify a military strike. One should not be surprised if the inspection teams suddenly find a pretext to pick a dispute with the Iraqis to give Washington the justification to make its move, the writer said. The inspection teams have started searching the presidential sites where they hope to find weapons of mass destruction hidden there in order to report the matter to Washington and invite the U.S. to launch its aggression, continued the writer. He said the

Iraqi leadership ought to take these matters into consideration and deny Washington the opportunity to launch a military strike stressing that the Americans have not yet ruled out the military option at any time and for any trivial excuse.

Mohammad Subeiri a writer for Al Arab Al Yawm accused the government of aiming to control the destiny of the professional unions through controlling their savings funds and their privately managed pension schemes. The writer said the government's draft plan to control the savings funds of the private organisations, was mainly targeting the professional unions which the government hopes to control by laying its hands on their funds and their financial resources. Fortunately the plan was still born as 68 deputies declared their rejection of it supporting the private organisations and abhorring the government's intention to control the destiny of the professional unions.



ARAB BANK PLC

CHAIRMAN'S MESSAGE

Dear Shareholders,

The world and regional economies went through difficult times in 1997. Consequently, your institution, the Arab Bank, had to accommodate itself to the new economic changes. In spite of the unfavourable economic conditions, the Bank's results nevertheless improved. I am pleased to summarise for you in this report the commendable achievements of Arab Bank in 1997.

Significant changes in the business environment presented major challenges to the banking industry. Without a timely adaptation to the new environment, it would have been difficult to continue the Bank's operations successfully. It is important to note, however, that the full impact of some of the changes is yet to be seen.

Most noteworthy is the successful conclusion of the World Trade Organisation negotiations to expand the Uruguay Round agreement to include financial services, which was achieved in December 1997. With the expansion of the World Trade Organisation agreement, a major hurdle to the globalisation of financial markets has been overcome. Accordingly, financial institutions can more easily reach all markets without an actual physical presence. The effect of the new agreement will be to intensify competition at all levels: locally, regionally and internationally.

Furthermore, the specialised Committee for Banking Supervision of the Bank for International Settlements has reached the final stage in its work to strengthen supervision of the banking industry worldwide. Its new recommendations aim to safeguard the integrity of the international financial system and prevent any crisis that may have a multinational impact as a result of mismanagement or fraud. The Group of Ten members are working to ensure that the new rules will be effectively implemented within the developing countries along with the OECD members.

In addition, the amendment to the capital accord to incorporate market risks became effective at the end of 1997. To enhance internal control and management of risks, the supervisory authorities also requested the banking industry to improve its ability to control total risks within its own organisation.

To adapt to the new working conditions, and as a result of increased competition as well as the decline in profitability, mergers and acquisitions intensified in 1997. The banking industry is expected to accelerate efforts to merge in the future, thus creating mega-financial institutions that will dominate the financial markets.

The banking industry was also significantly affected last year by the financial crisis in the Asia Pacific region. Investments by multinational financial institutions in these markets were subject to a wide range of risks. Arab Bank succeeded in meeting this crisis efficiently as a result of the high quality of its assets and of its sound policies and systems.

The results achieved by the Bank in 1997 testify to its strong financial position and its reputed ability to enhance its shareholders' equity and to satisfy

client needs and wants. As a result, the annual growth of net income exceeded 12.5%. Net income after tax reached JOD 107.7 million compared to JOD 95.7 million in 1996. The enhanced profit resulted from the positive development in total revenues, which amounted to 7.2%. Total revenues for the year reached JOD 310.8 million compared to JOD 289.8 million in the previous year. At the same time, the Bank was able to confine the increase in its operating expenses to acceptable levels. Total operating expenses were JOD 165.2 million in 1997 compared to JOD 153.7 million in 1996.

Consequent to the improved net income of 1997, shareholders' equity rose to JOD 720.0 million, representing an improvement of 14.3% over total shareholders' equity in the previous year, which had stood at JOD 630.0 million. The Bank will continue its policy of increasing shareholders' equity so as to enhance its earning power. The solid equity base will also enable the Bank to meet the capital adequacy requirements for credit and market risks.

Arab Bank management takes all necessary measures to manage its assets and liabilities as efficiently as possible. The management also makes every effort to increase the stable funds in the form of customer deposits. In 1997, the Bank succeeded in augmenting customer deposits to JOD 7,248.8 million compared to JOD 6,809.0 million in 1996. Simultaneously, the Bank was able to improve its loan portfolio to reach JOD 4,672.4 million compared to JOD 4,163.3 million at the end of 1996. In spite of the Bank's continuous efforts to increase its good quality risk assets, it follows a strategic policy that requires maintaining high liquidity ratios to meet all contingencies and risks. The liquidity ratio at the end of 1997 was 51.4% compared to 55.7% the previous year.

At the Arab Bank Group level, net income rose to USD 220.8 million compared to USD 197.8 million in 1996. Shareholders' equity improved to USD 1,570.9 million compared to USD 1,402.5 million the previous year. It is important to mention that the strength of the US Dollar had affected the total equity as a result of foreign exchange translation. The reporting currency of the Group is the US Dollar, in which most of its assets and liabilities are held. The liquidity ratio for the Group reached 48.0% compared to 51.1% the year before.

In the past year, the Bank worked very hard to excel in serving its clients and meeting their needs in a satisfactory and timely manner. The establishment of the Islamic International Arab Bank Plc was a major step taken by the Bank to meet the needs of corporate and individual depositors in the Arab and Islamic countries. The new Bank has a capital of JOD 40 million, and it provides products and services in accordance with Islamic rules. It started operations early in 1998 through four branches in Jordan. In the future the Islamic International Arab Bank Plc is planning to offer its services in other Arab and Islamic countries in accordance with the general strategic plans of the Group. In the area of personal and private banking, the Bank reorganised all its activities. Qualified staff had been trained to enhance the Bank's investment products and funds, as well as asset management services to



meet client requirements.

Arab Bank also invested resources to enhance the efficiency of its centralised asset and liability management. Central management of assets and liabilities requires increased efficiency in communications to enable the banks to obtain real-time and on-line data from their financial centres. Arab Bank also worked to develop and acquire new information systems, value-at-risk measurement and simulation to enable it to manage risks more efficiently and to enhance medium and long-term plans. The management plans to add significantly to its ability in dealing with exogenous variables. The corporate treasury, which is under development in London, is expected to improve the asset/liability management process and enhance the efficiency of cash management. It will also develop new risk management products that will assist clients in dealing with fluctuations in interest rates and foreign exchange.

At the beginning of January 1998, our City branch in London celebrated its 25th anniversary. The Park Lane branch was established later in 1976 and the Kensington branch in 1980. The three UK branches spearheaded the multinational expansion of the Bank outside the Arab region, which had started with the incorporation of its sister institution Arab Bank (Switzerland) in 1962. From that time onwards, the Bank succeeded in building a significant branch and subsidiary network covering almost all major financial centres, extending from China in the Far East to Chile in South America.

In 1997, at the regional level, Arab Bank succeeded in reclaiming the full ownership of Arab Bank Maroc after repurchasing the interest of Banque Centrale Populaire, our former Moroccan partner, which had shared the ownership with us for more than twenty years.

In accordance with paragraph (B) of Article 132 of the Jordan Company Law of 1997, with the meeting of the general assembly and the release of the members of the Board of Directors from their liabilities of the year 1997, the term of office of the current Board comes to an end. Article 171 of the same Law calls for the general assembly to elect a new Board. On this occasion, in your name, I would like to thank all Board members for the special efforts they made to serve your institution throughout their years of membership.

Finally, I would like to convey my appreciation and gratitude to all shareholders and clients for their faithful and unswerving support. I also thank all staff members for their hard work and loyalty.

Abdulmajed Shoman
Chairman, Board of Directors

DEPUTY CHAIRMAN'S MESSAGE

Arab Bank must constantly adapt to change and meet challenges in order to best fulfil the needs of its customers. The Bank's survival and steady performance over time is evidence of its ability to position itself strategically without losing the focus of its original vision.

Arab Bank's financial objectives are best met by concentrating on targeted markets, recognising their requirements and satisfying them effectively. The need for three new product lines in the areas of Islamic banking, funds and investment products and hedging and risk management, has been underscored by the Bank's clients. Arab Bank's response has been timely and effective.

The Islamic International Arab Bank Plc has just started operations. Furthermore, a new and wide range of funds and investment opportunities are being made available to Arab Bank customers. In the area of hedging and risk management, the corporate treasury is in the process of developing customer-oriented derivative products. Arab Bank is also engaged in re-engineering its traditional services to increase their efficiency and make them more competitive. Arab Bank's product quality and its ability to meet customer needs in a reliable and safe environment have always been maintained to reassure our household and corporate customers.

Financial strength along with solid earning power which outperformed competitors are evident in the results of 1997. The Bank has continued improving its profitability while maintaining its asset quality and strong financial position. Arab Bank Group's net income after tax to average equity ratio was 14.8%. Return on average assets was augmented to 1.35% from 1.31%. On the other hand, the liquidity ratio is at 48.0% compared to 51.1%. Capital adequacy for credit risk is 16.28%. Arab Bank Group does not have a Tier III component to participate in covering market risks. Nevertheless, Tier I and Tier II equity are sufficient to endow future operations with significant additional earning power.

Outperforming peers underlines both the proper fit and strategic positioning of Arab Bank. The Bank continues to address the essential needs of its clients within its traditional and safe environment and without imposing unnecessary and burdensome processing or requirements. The founders' mission continues to direct the efforts of the institution by meeting the needs of clients with innovative and effective financial services and products. Efficiency is achieved by the superior productivity of Arab Bank's loyal and motivated employees.

The unique position of Arab Bank is strengthened by a significant and meaningful global presence. It is considered the only bank in the region that has successfully achieved a fitting and useful geographical diversification. Operating in the major international centres, the Bank is able to succeed in managing its risks. Most importantly, the Bank offers clients the opportunity to profit from multinational markets. Effective treasury and



asset/liability management is also further enhanced by the Bank's ability to function globally and around-the-clock. The Arab Bank network of branches and affiliates with diversified financial products combine to form a multinational financial institution with a very strong regional focus.

To the management of Arab Bank, meeting challenges has always meant an opportunity for improvement. Capitalisation of the positive side of change strengthens the dynamic characteristics of the organisation. In 1997 Arab Bank's efforts to achieve state-of-the-art total risk management were intensified. In-depth analyses and evaluations in conjunction with external consultants have produced a realistic and factual risk profile. Complete and effective plans for risk management have been developed, covering credit, operations and market risks among other aspects. In other areas, specialised committees have been working to prepare the Bank for a successful implementation of the expected transformations in operations and markets consequent to the approach of EMU as well as the year 2000 and, most importantly, the successful conclusion of the negotiations of the World Trade Organisation on financial services.

Looking to the future, Arab Bank will continue to assess its successful multinational presence as a vital participant in international markets. The energising base will always be its strategic regional position. The Bank will work to coordinate four basic strategic elements. First and foremost is the satisfaction of customers and the realisation of their needs. Products and the continuous development of human resources will always be the tools to achieve pre-set targets. Innovation and improvement in management information systems is another important element that will participate in measuring performance and in assigning responsibilities at an extremely detailed level.

Financially, Arab Bank will work to be among the highest capitalised institutions in the region by continuously retaining its growing income. Anticipated average growth rate of net income after tax is expected to exceed the growth rate of the past three years. The development in asset size will be correlated with the growth in equity, leaving always a comfortable margin for the enhancement of earning power. The structure of assets may be changed slightly towards higher productivity. Again, the liquidity ratios will remain substantially better than the accepted norms in the region and in international markets.

Khalid Shoman
Deputy Chairman,
Board of Directors



ARAB BANK PLC

BOARD OF DIRECTORS' 68th ANNUAL REPORT

For the year ended 31 December 1997, submitted to the General Assembly of Shareholders at the Annual Meeting held at the Bank's Head Office Building, Shmeisani, Amman, at 10 a.m. on Friday, 27 March 1998.

We are pleased to present to you the 68th Annual Report of Arab Bank Group which highlights the most important developments as well as our proposal for distributing the net income.

The financial statements show clearly that the Bank had a good year. The extraordinary achievements reflect the management's sound policies and its success in accommodating different sets of influential variables.

Business environment

Generally, the world economy and financial conditions maintained strong growth although a number of countries experienced setbacks as a consequence of the financial crisis in Southeast Asian markets. The global economy posted one of the largest expansions of the last ten years. World inflation receded to the lowest level in decades. The rise of the USD continued unabated against all major currencies, bar the GBP. World real GDP grew 3.0%, the same rate as in the previous year. Real GDP of the major industrialised countries increased by 2.5%, slightly exceeding the previous year's level. Although the Asian market turmoil caused repercussions around the world, revealing the fragility of global interdependence and the susceptibility of integrated national economies, overall confidence and economic activity remained relatively undisturbed.

The United States economy, fuelled by strong consumer and business confidence, is characterised by robust growth, low inflation, a diminishing fiscal imbalance and the lowest unemployment levels in nearly 30 years. The budget deficit fell to its lowest level of the past three decades. Real GDP rose by 3.8%. In addition to having successfully weathered the October stock market correction, the United States share price indices continued to surge and reached new highs, surpassing the already high 1996 levels.

Southeast Asian countries reeled under the currency and financial crisis, which had extensive economic and political consequences, including being widely held as the catalyst for the international stock market correction. These ramifications made it necessary for the IMF to extend rescue packages to Thailand, Indonesia and South Korea.

In reflection of Japan's economy, as one of the slowest growing industrialised countries in 1997, real GDP increased by only 1.4%. Consumer confidence was at an all-time low. Moreover, interest rates sank to new lows, share prices on the Nikkei Index fell to their lowest level in over two years. Industrial output decreased and housing starts remained in a slump. Accordingly, Japan failed to play its usual leading economic role in the area.

As 1997 was the reference year to ascertain which EU countries fulfill the Maastricht Treaty criteria to become members of the European Monetary Union (EMU), strict budgets were imposed. As a result of these tight fiscal constraints, real GDP in the EU as a whole grew by 2.4%. It continues to remain unclear whether all EU countries will meet the convergence criteria. However, the expectation is that, apart from Greece and countries choosing to opt out, all others will qualify for the third stage of EMU's currency union in 1999. Stable oil prices had a positive impact on the economy of the countries of the Middle East. Most of the Arab countries continued their progress and economic growth. However, due to uncertainties at the political level, the region did not enjoy the extraordinary development anticipated. In addition to political stability, a substantial improvement in laws and regulations is needed to encourage a meaningful foreign investment flow to the area.

Financial results

Arab Bank PLC net income rose by JOD 12.0 million to reach JOD 107.7 million from JOD 95.7 million, representing an increase of 12.5%. Moreover, the Group's net income increased by USD 23.0 million and 11.6% to reach USD 220.8 million from USD 197.8 million the previous year.

The profitability growth rate underlines the extraordinary performance of Arab Bank. The ability to maintain above-normal profitability year after year highlights the real earning power of the Bank. The average growth of the Bank's net income during the past five-year period was 14.4%. Sustaining the earning power of the Bank requires continuous improvement in equity on the one hand and the ability to invest its financial resources in high quality assets on the other hand. In addition, an excellent performance requires ever greater efficiency together with the ability to control operating expenses. The Bank also works to diversify its risks in order to advance continuously within pre-planned objectives and without any major discrepancies.

Geographical diversification is achieved by spreading the operations of the Bank outside the Arab region to the major financial centres of the world. In 1997, the branches in Jordan contributed 18.3% to income, other Arab countries added 58.8%, Europe 18.1%, the Far East 3.2% and the United States 1.6%. Net interest and commission provided 84.8% of total revenues. The remaining 15.2% was generated from foreign exchange and other income. In 1996, net interest and commission contributed 86.4%, foreign exchange and other income 13.6%. The increase in operating expenses was limited to budget.

Shareholders' equity and appropriation of income
The Board of Directors proposes to the General Assembly the following allocation of net income:

	JOD ('000)
Net income:	107,655
To voluntary reserve	28,000
To general reserve	62,000
Cash dividends	17,600
Directors' remunerations	55
Total appropriation	107,655

In accordance with the above, the dividend per share will be JOD 4.0, representing 40% of nominal share value. The Bank will deduct 10% of dividends to meet the withholding tax requirement, which will be paid directly to the tax authorities in Jordan. Thus, net cash dividends payable to the shareholders will be JOD 3.6 per share.

After the approval of the proposed appropriation, shareholders' equity will reach JOD 720.0 million compared to JOD 680.0 million at the end of 1996. The increase in shareholders' equity will be JOD 90.0 million or 14.3%. Arab Bank standard source of equity is the capitalisation of income.

The top management of the Bank steers the equity in accordance with the change in the structure of assets aimed at earning the highest possible return within the chosen specific risk class. Shareholders' equity is also an essential element in meeting the capital adequacy requirement for credit and market risks specified by the supervisory authorities. In view of the above, it can be concluded that the unfailing ability of the Bank to generate income and enhance its future performance depends on its ability to capitalise as much profit as possible. The enhanced capital base satisfies the requirements resulting from the Bank's growing risk assets and expanded operations.

Other achievements

The management has targeted three basic objectives. Development and improvement of the Bank's services and products to meet client needs and wants was the main objective. In 1997, Arab Bank was able to provide a new line of investments, products and funds, which were well received by clients. Early in 1998, the Bank added a new line of Islamic products with the opening of the Islamic International Arab Bank PLC. In addition, the management worked to supplement and re-engineer its traditional financial products and services in such a way as to offer clients a more competitive line of services.

The management also aimed at increasing the efficiency of the staff and the effectiveness of the organisation. Several specialised seminars and training programmes were held in the area of asset/liability management and other specialised and managerial leadership courses. The Bank also intensified its utilisation of modern technology for information systems, communications and automated services. The third objective concentrated on total control of risks. Internal control systems have been improved and specialised committees have been activated in accordance with the recommendations of in-house and external expert studies. Better controls guarantee the continuation of operations without any unwarranted hindrance.

After four years of service on the Board, our term of office comes to an end. On this occasion, we would like to express our appreciation to the shareholders for their continuous support, the clients for giving us their business and for their trust in the Bank and the subsidiary and affiliate companies. We would also like to thank all the staff for their loyalty and hard work which resulted in the good performance of the Bank during the past four years.

The Board of Directors

Financial Review

This section contains the analysis of the Group's results of operations as well as its financial position. The financial statements, which are also included in this report, are presented in US Dollars after the translation of all the Group members' financial statements into US Dollars, which is the functional and reporting currency of the Group. Arab Bank PLC and Arab Bank (Switzerland) constitute around 90% of the total assets of the Group. The reporting currencies of the two entities are the Jordanian Dinar and the Swiss Franc, respectively. The average exchange rate of the Jordanian Dinar has been pegged to the US Dollar at 0.709 since 1995. The Swiss Franc exchange rate was 1.4540 at the end of 1997 and 1.3490 at the end of 1996.

Results of operations

Overview

In 1997, the Group continued its good financial performance. The net income of Arab Bank Group crossed the USD 200 million mark for the first time in its history. Net income after tax reached USD 220.8 million. Total revenue was augmented to USD 577.5 million from USD 541.4 million. Net income per share on the basis of Arab Bank PLC common shares of 4,400,000 was 11.6% better than in the previous year, recording USD 50.2 per share compared to USD 45.0 per share in 1996. Increase of operating expenses was confined to 5.3% to reach USD 282.3 million from USD 268.0 million.

Interest and commission income

The Group realised an increase of USD 14.0 million in net interest and commission income, representing 2.7% over 1996. The low level of interest rates along with the Central Bank of Jordan's requirement of 14% interest free statutory reserve on deposits in foreign currencies depressed the interest numbers. The following table contains comparative figures for the two years:

	1997	1996	Variance
	In USD millions	In USD millions	%
Interest and commission income	1,355.9	1,364.7	(8.8) (0.6)
Interest and commission expense	815.9	838.7	(22.8) (2.7)
Net interest and commission	540.0	526.0	14.0 2.7

The percentage of interest income to total assets was 7.4% in 1997 compared to 7.9% in 1996. The net interest and commission income to total asset ratio was 3.2%, slightly lower than in the previous year. On the other hand, the growth in loan portfolio and other risk assets contributed positively to the interest income.

Revenue from foreign exchange trading

The US Dollar appreciated aggressively against other major currencies during most of the year. The revenue

from foreign exchange trading slightly improved to USD 25.6 million from USD 25.5 million in 1996. The foreign exchange trading positions opened as part of the Group's activities are liquidated on a daily basis. Exceptions in extraordinary circumstances are limited to small amounts and they are well controlled by higher levels of management.

Other revenues

Other revenues improved to USD 57.7 million from USD 41.5 million in 1996. The gain of USD 16.2 million or 39.1% over the previous year was the result of income derived from the trading portfolio and recovered bad debts. Other revenues also included revenues from leased premises, services to clients and several other items of a non-recurring nature.

Revenue-related expenses

Revenue-related expenses are composed mainly of specific and general provisions for doubtful debts and investments. In 1997, total provisions debited to the profit and loss account were USD 45.9 million compared to USD 51.6 million in the previous year.

Operating expenses

Total operating expenses increased to USD 282.3 million from USD 268.0 million. In spite of the increase of USD 14.3 million or 5.3% in operating expenses, it only represented 48.9% of total revenue compared to 49.5% the previous year. The following table contains a detailed comparative analysis of operating expenses:

	1997	1996	Variance
	In USD millions	In USD millions	%
Staff	155.2	145.1	10.1 7.0
Information system	19.9	18.6	1.3 7.0
Depreciation	19.8	17.8	2.0 11.2
Other operating expenses	87.4	86.5	0.9 1.0
Total	282.3	268.0	14.3 5.3

It can be observed from the above that the increase in operating expenses was highly correlated with growth of revenues.

Net income and income tax

Income before tax and net income after tax are presented below:

	1997	1996	Variance
	In USD millions	In USD millions	%
Net income before tax	295.2	273.3	21.9 8.0
Income tax	74.4	75.5	(1.1) (1.5)
Net income after tax	220.8	197.8	23.0 11.6

Net income after tax in 1997 improved by USD 23.0 million to reach USD 220.8 million representing an increase of 11.6%. Income tax remained at the same level as in 1996. Income tax does not include some taxes paid in affiliated companies. It mainly represents income tax relating to Arab Bank PLC, its sister institution and subsidiaries. Profitability ratios improved slightly in 1997. Net income represented 38.2% of total revenue in comparison to 36.5% in 1996. Net income to shareholders' equity remained at 14.1%, the same level as the previous year. Net income to total assets improved to 1.31% in 1997 compared to 1.24% in 1996.

Financial position

Arab Bank Group balance sheet structure is unique. Its regional and multinational operations call for certain requirements which may not be applicable to other institutions. The management of the Group always aims to maintain simultaneously high liquidity, prime quality assets and solid equity.

Liquidity management

The liquidity management policy of Arab Bank Group is an important element of its strategic orientation. Liquidity is defined as the ability to meet near-term and projected long-term funding commitments, while supporting future expansion in a manner consistent with the Bank's strategic plans. Arab Bank Group maintains higher liquidity than the acceptable norm of the banking industry. The high liquidity enables the Group to survive in the extraordinarily unstable political environment of the Middle East. For liquidity management purposes, the Group is divided into several regional centres. Each centre is responsible for the operating units in its area and has its own funding and liquidity plans in accordance with the policies of the Group management. Liquidity is managed and monitored on a daily basis by the Treasurer and the Manager. ALCO in the centres co-ordinate liquidity positions on a weekly basis. At Head Office, the High ALCO monitors and supervises the liquidity position of the Bank on a monthly basis. Strategies and adjustments of policies are carried out quarterly.

Prudent liquidity analysis at all levels includes dividing the assets and liabilities into different maturity bands. It also includes analysis of the sources of funds, their stability and cost. The following table gives a comparative analysis of the liquid assets of the Group:

	1997	1996	Variance
	In USD millions	In USD millions	%
Cash and banks	5,639.8	6,023.1	(383.3) (6.4)
Government securities	1,049.9	912.9	137.0 15.0
Trading securities	182.0	166.0	16.0 9.7
Marketable investments	1,192.2	1,016.9	175.3 17.2
Total	8,063.9	8,118.9	(55.0) (0.7)

It can be observed from the above table that the liquid assets declined by 0.7%. Yet again, most of the decline was due to a reduction in the placement with banks. It should also be noted that liquid assets on average mature within three months.

The external sources of funds at the end of 1997 and 1996 are presented below:

	1997	1996	Variance
	In USD millions	In USD millions	%
Customer deposits	10,404.9	9,680.7	724.2 7.5
Bank deposits	5,218.2	3,327.5	1,890.7 (3.3)
Cash margin	712.3	588.1	124.2 19.1
Total	14,335.4	13,606.3	729.1 5.4

Customer deposits are composed of stable funds that have remained with the Bank for continuous and steady periods. Core deposits are estimated at 80%.

The following table gives some liquidity ratio measures for the Group at the end of 1997 and 1996:

	1997	1996
	%	%
Cash and quasi-cash to total external funds	56.3	59.7
Cash and quasi-cash to total assets	48.0	51.1
Customer deposits and cash margin to loan portfolio	146.7	150.5
Customer deposits and cash margin to total assets	66.1	64.6

The improvement in customer deposits to total asset ratio coupled with the decline in other liquidity ratios indicate that the Bank has improved the effectiveness of its asset/liability management.

Credit management

The Arab Bank Group conservative credit policy is a key element in its success. Time and again, its balanced and well planned credit-granting philosophy and system have distinguished Arab Bank from others.

To manage balance sheet and off-balance sheet exposure, the Group risk control process is applied globally. Responsibilities for credit risks are shared between line units and Head Office. The branches and subsidiaries have a primary responsibility to evaluate credit risks and ensure that each individual credit exposure is soundly controlled and managed. The line manager has the authority to grant credit up to a certain pre-determined amount. At Head Office, the decisions related to credit are handled by committees at three different levels:

- Credit department committee
- Credit management committee
- Senior authority committee

Risk assets are divided into three different groups: Jordan, Arab countries and international. Each area is controlled by a specialised credit department. The Deputy President for credit coordinates and supervises the three credit departments and heads the credit management committee. The senior authority committee is chaired by the General Manager and includes the President, the Deputy President and the three heads of the credit departments.

Development of loan portfolio

Loans and advances net of provisions grew by USD 748.9 million, representing an increase of 11.0% to reach USD 7,578.5 million at the end of 1997. The off-balance sheet exposure increased by USD 811.2 million or 16.6%, thus expanding the total credit risk of the Group by 13.3% over 1996 figures. The following table contains the comparative data of the Group credit risk in 1997 and 1996.

	1997	1996	Variance
	In USD millions	In USD millions	%
Loan portfolio, net	7,578.5	6,829.6	748.9 11.0
Off-balance sheet:			
- Acceptances	378.3	241.1	137.2 56.9
- Letters of credit	1,167.1	1,308.5	(141.4) (10.8)
- Letters of guarantee	2,885.3	2,323.7	561.6 24.2
- Undrawn loans	1,263.7	1,009.9	253.8 25.1
Total off-balance sheet	5,694.4	4,883.2	811.2 16.6
Total exposure	13,272.9	11,712.8	1,560.1 13.3

Loans and advances composed 45.1% of total assets in 1997 compared to 42.9% at the end of the previous year. They also represented 4.8 times the shareholders' equity compared to 4.9 times at the end of 1996.

Provision for doubtful debts

The provisions for doubtful debts are determined by the evaluation of individual credits and changes in the quality of credit portfolio, levels of non-accrual loans, economic conditions, changes in size and character of credit risks and other related factors. Risk assets are classified according to their quality into six groups: current, watchlist, special mention, substandard, doubtful and loss. Credits with serious degrees of classification are reviewed by Head Office on a quarterly basis. The credit portfolio is reviewed semi-annually in order to assess sufficient provisions. Levels and amounts of provisions are also examined in the light of the monetary authorities' guidelines as well as studies performed by the external auditors. The Group ceases to accrue interest on doubtful debts as soon as they are classified as such. Arab Bank Group's provisioning policies are more strict than the industry norms and monetary authorities' guidelines. Balances of credit risk provisions are presented in the following table:

	1997	1996	Variance
	In USD millions	In USD millions	%
Provisions	413.8	367.6	46.2 12.6
Interest in suspense	81.3	71.3	10.0 14.0
Total	495.1	438.9	56.2 12.8

Parallel to the increase in the volume of provisions, the Group also succeeded in 1997 to maintaining its normally high risk-asset quality.

Interest rate risk management

The Group aims to minimise the negative impact on net income of the adverse movements on interest rates. The Group manages its interest rate risks in accordance with the policies and limits established by the Head Office of the Bank. ALCO in the centres as well as Treasurers handle the day-to-day management of interest rate risks. The ALCO at Head Office deals with strategic positions and policies.

Arab Bank Group also takes a conservative approach in its interest rate risk management. In general, the Bank matches the maturity of its assets and liabilities. The Group trading and dealing in interest rate derivatives is mostly limited to capping its mismatch position.

The impact of interest rate risk management as well as

ARAB BANK PLC

BOARD OF DIRECTORS' 68th ANNUAL REPORT

other dimensions of risk supervision reflected in the net interest and commission in the Group's financial results. Net interest and commission to average total assets of the Group for 1997 and 1996 are presented below:

	1997	1996	Variance
	In JOD millions	In JOD millions	%
Net interest and commission	540.0	460.0	14.0 2.7
Average total assets	16,355.9	15,400.0	1,201.9 7.9
Net interest and commission to average assets	3.3%	3.0%	0.3%

From the above, it can be observed that net interest and commission to average assets declined to 3.3% in 1997 from 3.0% in 1996. On the other hand, income to average assets was improved to 1.4% from 1.3%.

Capital management

Shareholders' equity along with other components of capital form the main source of earning power in commercial banks. The capital is specified in the size, structure and risk components of the balance sheet. Regulatory authorities, in conformity with the BIS rules, have harmonised the capital adequacy requirements worldwide.

The General Manager and the High ALCO carry out capital management at Head Office. The Group's capital management policy aims to provide the shareholders with a good return on equity without exposing the institution to undue risks. The solid capital base coupled with its liquidity underlines the extraordinary financial strength of Arab Bank Group.

In accordance with Arab Bank Group policies, capitalisation of retained income represents the main source of growth in shareholders' equity. Consequently, the Group has to confine its cash dividends distributed to the shareholders within limits on the one hand while constantly improving profitability on the other hand.

The continuous development of equity also aims to meet the growing needs of the branches and subsidiaries. At the end of 1997, total shareholders' equity reached JOD 1,700.9 million representing an improvement of 12.0% over the previous year's figures. It amounted to 9.6% of average total assets compared to 9.3% in 1996. The following table shows the calculation of the capital adequacy ratio according to the BIS rules, at the end of 1997 and 1996.

	1997	1996	Variance
	In JOD millions	In JOD millions	%
Equity (*)			
Tier 1	1,259.8	1,112.3	147.5 13.3
Tier 2	437.3	358.2	79.1 22.1
Risk weighted assets	10,421.9	9,138.0	1,283.9 14.1
Capital adequacy ratio	16.28%	16.09%	0.19%

(*) Group equity includes reserves with associated companies.

The above holding capital adequacy ratio is justified, in view of the continuous demand of the regulatory authorities for capital funding of our operating units.

Performance of the Group's Entities

The Group's consolidated financial statements include the financial statements of Arab Bank Plc, Arab Bank (Switzerland), sister company wholly owned by the shareholders of Arab Bank Plc, and the following wholly and partly owned subsidiaries:

- Arab Bank G. Frankfurt, wholly owned subsidiary
- Arab Bank Australia Ltd., wholly owned subsidiary
- Arab Bank Austria AG, wholly owned subsidiary
- Arab Bank Maroc, wholly owned subsidiary
- Arab Bank Tunisia, 64.24% owned
- Arab Palestinian Investment Bank, 55% owned.

Arab Bank Plc

Arab Bank Plc was established in 1930. It is registered in Jordan as a public shareholding company. Arab Bank Plc is one of the principal financial institutions in the Arab world and ranks among the leading international banks in terms of equity, earnings and assets. It is engaged in providing a wide variety of financial services, which include retail banking, private banking, trade financing, merchant banking, commercial real estate lending and Islamic banking.

Results of operations
Net income after tax reached JOD 167.7 million, representing an increase of JOD 12.0 million or 12.5% over 1996. The following table contains the comparative figures of the revenue components:

	1997	1996	Variance
	In JOD millions	In JOD millions	%
Net interest	227.3	220.0	7.3 3.3
Net commission	61.6	59.2	2.4 4.1
Foreign exchange	10.8	12.1	(1.3) (11.0)
Other revenue	36.4	27.3	9.1 33.5
Total	336.1	318.6	17.5 5.5

Operating expenses increased by JOD 1.5 million or 7.5% to reach JOD 165.2 million from JOD 153.7 million in 1996. Changes in the main components of operating expenses are presented in the following table:

	1997	1996	Variance
	In JOD millions	In JOD millions	%
Staff	89.5	84.0	5.5 6.6
Information system	13.6	12.8	0.8 6.5
Depreciation	10.9	9.9	1.0 9.6
Other operating expenses	51.2	47.0	4.2 8.9
Total	165.2	153.7	11.5 7.5

Financial position

The shareholders' equity rose by JOD 90.0 million to reach JOD 1,700.9 million, a 14.3% increase over the figure of JOD 1,510.9 million in 1996. The capital adequacy ratio for the Bank at the end of 1997 was 16.28% compared to 16.09% at the end of 1996.

JOD Customer deposits improved in 1997 to reach JOD 6,760.0 million from JOD 6,300.0 million in 1996. Total external funds including deposits from banks rose to JOD 9,630.0 million compared to JOD 9,298.5 million in 1996, representing an improvement of JOD 331.5 million or 3.6%. Total assets increased by JOD 423.0 million or 4.1%. A comparative analysis of Arab Bank assets in 1997 and 1996 is presented below:

	1997	1996	Variance
	In JOD millions	In JOD millions	%
Assets			
Cash and marketable securities	4,785.6	5,924.4	(1,068.8) (7.8)
Loans and advances	4,672.4	4,633.3	39.1 12.2
All other assets	1,303.1	882.4	420.7 32.7
Total	10,761.1	11,338.1	(477.0) (4.1)

Other achievements

Excellence in client service was the top objective of the Bank in 1997. The management also endeavours to continue improving the technical and professional abilities of the staff as well as to complement the branch and subsidiary network and to develop information technology.

To meet the increasing demands of clients, Arab Bank with other partners established in 1997 "Arab Investment Company (Egypt) S.A.E." The subscription rate to this investment product was 250%. During 1997, Arab Bank's Personal Banking Unit drove forward a new strategy designed to ensure that the Bank maintains its competitive edge in the fast changing financial services marketplace and becomes more focused on the needs of its customers. The development and marketing of a new range of investment products for existing and new customers is a key pillar of the new personal banking strategy. The new products are designed to provide an alternative to deposit and savings activities and are being structured to appeal to differing investment requirements, varying in complexity and level of risk. The first product launched in the Middle East, a relatively low risk Capital Guaranteed Fund, has proved extremely popular, attracting over USD 100 million of investors' funds. Early in 1998, The Islamic International Arab Bank Plc started its operations through its four branches in Jordan. The Bank plans to expand its operations to other Arab and Islamic countries.

One of the prime objectives of the Bank is to enhance its staff's abilities. The total number of employees reached 5,468 in addition to the employees of its subsidiaries, sister institution and affiliates. Specialised training programmes in asset/liability management and managerial leadership were some of the many training events held in 1997.

In 1997, Arab Bank formulated a plan to re-engineer its services and business processes through the use of the latest technologies in order to enhance services and improve efficiency and competitiveness. Execution of the plan will start at the beginning of 1998 in coordination and cooperation with all branches. Arab Bank has always kept abreast of the continuous changes in technology, and directed information systems to improve customer services. It has continued to enhance the Arab Bank website. Internet users can now view the Arab Bank Internet website "arabbank.com" in Arabic as well as in English. Communications are being upgraded by moving from a rigid to an open network architecture. Optimum solutions are continuously identified and implemented to improve the capacity, reliability, security and manageability of the global and local networks. Swift financial service has been further improved across Arab Bank branches worldwide through the use of more advanced communication protocols.

The Bank continued to extend its regional and international presence. The management succeeded in its negotiations to purchase the 50% ownership of its Moroccan partner in Arab Bank Maroc. Arab Bank Maroc, including its eight branches, thus became a fully owned subsidiary of the Group. Furthermore, three new branches were opened in Palestine, one in Cairo, Egypt, and two in Yemen.

Arab Bank (Switzerland)

Arab Bank (Switzerland) was constituted in 1962 as an independent Swiss company. Its shareholders are identical to those of Arab Bank Plc. The Bank has been cooperating with all members of the Arab Bank Group throughout its existence.

Arab Bank (Switzerland) has built a reputation for efficient and personal service. One of the Bank's key concerns remains the further enhancement of its services, in particular in the field of private banking in which a "Global Private Banking Unit" has been set up to market the wide variety of the Bank's investment products.

Performance in 1997

Net income for 1997 of CHF 17.5 million was at the same level as in 1996. Interest income decreased by CHF 4.5 million or 20.6% as a result of the persistent decline of the Swiss Franc interest rates, which affected the return from investment of shareholders' equity.

Results from trading operations increased again, by CHF 1.1 million or 17.7% to CHF 7.3 million, owing to better results achieved in foreign exchange and precious metals trading. Results from commission and service fee activities rose by CHF 1.9 million or 11.5% to CHF 18.5 million.

Total assets as at 31 December 1997 increased by CHF 146.4 million to CHF 1,626.9 million owing to the weaker Swiss Franc against the US Dollar and to a higher volume of interbank business.

Arab Bank Australia Limited

Arab Bank Australia Limited operates under an unrestricted banking authority granted by the Reserve Bank of Australia in September 1994. Arab Bank Australia Limited is subject to the prudential requirements of the Reserve Bank of Australia and its strategic aim is to provide retail and commercial banking facilities to the Arab community in Sydney, Australia. In addition, it provides trade services to major Australian corporations trading with the Middle East.

Arab Bank Australia Limited provides a comprehensive range of banking services, including electronic banking, and a full range of deposit products and specialised lending products, including leasing, which have been tailored to meet the requirements of our customers.

Profit before tax in 1997 was AUD 1.5 million compared to AUD 1.3 million in 1996. The profit for 1997 also included a general provision for doubtful debts of AUD 0.6 million. In a highly competitive banking environment the Bank was able to increase income by 7% and hold operating expenses increase to 4%.

The balance sheet showed total assets at the end of 1997 standing at AUD 274 million, which is an increase of AUD 68 million over the 1996 figure. Deposits and other liabilities grew from AUD 154 million in 1996 to AUD 220 million in 1997.

The Bank continues to develop its Australian operations and is planning to establish a new branch in Melbourne, Victoria in 1998.

Arab Bank (Austria) AG

Arab Bank (Austria) AG was established in February 1987 in Vienna and commenced its operations in May the same year. Arab Bank (Austria) AG is an independent Austrian bank with an unrestricted licence to perform all banking activities out of any location within the European Union. It provides a wide range of services to individuals, corporate and institutional clients, government agencies and other international financial institutions.

One of its key missions is to develop the Group's relationships with Eastern Europe and Russia. For several years now it has been offering services to our customers such as the financing of trade, information on investment opportunities and the introduction of appropriate partners in that area.

Compared to the previous year the Bank's balance sheet reflected an overall growth in activity, profits and reserves. Deposits from customers increased by 13.2% to reach ATS 1.1 billion, and total loans increased to ATS 253.3 million from ATS 88.5 million.

Arab Bank AG, Frankfurt

Arab Bank AG, a wholly owned subsidiary of Arab Bank Group, commenced operations in 1993 with a full commercial banking licence. Accordingly, Arab Bank AG plays a significant role in promoting Arab-German trade and economic cooperation. It provides its customers with a wide range of banking services, including investments and treasury products.

Given its location in Frankfurt where the European Central Bank will start its operations later in 1998, the German subsidiary is actively preparing for the Euro Conversion scheduled to commence on January 1, 1999.

In 1997 the Bank made a total profit before tax of DEM 2.3 million. Total assets grew by DEM 182 million to DEM 724 million. The total balance sheet including contra accounts rose to DEM 1,390 million, which is an increase of DEM 528 million over 1996. Total capital funds of Arab Bank AG amount to DEM 98.0 million.

The Bank primarily offers its services to German corporations dealing with the Arab world. In 1997 relationships with major German project engineering and construction companies doing business in the Middle East were expanded substantially. Correspondent banking relationships were further developed with banks in Arab countries and in other areas, primarily in Turkey. The service capabilities include letters of credit, money markets and foreign exchange dealings.

Arab Bank Maroc

In 1975, in accordance with the Moroccan nationalisation law, the branches of Arab Bank in Morocco were transferred into Arab Bank Maroc, a limited liability company. On an equal basis, Banque Centrale Populaire and Arab Bank Plc held the share capital of the company. In 1997, with the liberalisation of the financial market in Morocco, Arab Bank bought back the share of its Moroccan partner. Arab Bank Maroc has eight branches, and provides its customers with a wide range of commercial and private banking activities.

The Bank achieved good financial results in 1997. Total assets increased by 2% to reach MAD 2,114.0 million from MAD 2,073.2 million in the previous year. Income before tax reached MAD 10.5 million compared to MAD

1.8 million in the previous year. The growth represented 483.3%.

It is expected that the Bank will participate in linking North African countries with the network of Arab Bank Group. Most importantly, the Bank is planning to play a more active role in serving its customers as well as in developing the Moroccan economy.

The Bank's strategic plans are linked with those of Arab Bank Group. A major expansion covering the main cities in Morocco is targeted for 1998.

Arab Tunisian Bank

Arab Tunisian Bank was incorporated in 1982. It is a leading private commercial bank, playing a crucial role in the development of Tunisia's national economy. The Bank offers well-established local and international services through its 29 branch domestic network and 7 affiliated companies.

The performance achieved during 1997 confirms that Arab Tunisian Bank has taken a new step in the progression towards its corporate goals. The Bank's business grew steadily in 1997 and produced strong results across the main activities. The balance sheet growth has been further strengthened passing from TND 776.3 million in 1996 to TND 796.5 million in 1997, recording an increase of 2.6%. Gross income grew from TND 16.1 million to TND 19.0 million in 1997 which represents 18.0%. Net income increased in 1997 to TND 8.3 million representing an increase of 12.2% over the previous year.

In addition to its strong financial performance, the Bank has upgraded its information technology to shift the priority from back office to top management. To achieve the new goal, two ambitious programmes were initiated. First, the existing management information systems were overhauled with the assistance of a well-known international consultancy firm. Second, a document management system, designed to improve the information flow and the control of electronic files, was installed.

Arab Palestinian Investment Bank

Arab Palestinian Investment Bank obtained its license from the Palestinian authorities on March 17, 1997. The capital of the Bank amounts to USD 20 million, owned by Arab Bank Plc - 55%, International Finance Corporation (IFC) - 25%, Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) - 15%, and Enterprise Investment Company (EIC) - 5%.

Recruitment of qualified personnel was the first task of the Bank's management. It now has the main core of young qualified personnel in the fields of project financing, treasury services, and investment, advisory services.

The Bank focused its activities during 1997 on project financing. The total value of committed loans reached USD 8 million of projects amounting to approximately USD 30 million. The Bank's loan portfolio is distributed in the economic sectors with the following breakdown: industry 41%, tourism and services 52% and agriculture 7%.

Customers' deposits amounted at year-end to USD 1.2 million. The minimum accepted deposits are USD 10,000 for a period of not less than one month. During its first year of operation, the Bank was able to achieve a small positive amount of income of USD 11,400.

The Bank will continue its efforts to fill a significant gap in providing medium- and long-term funds for investment projects in Palestine. It is studying new services and products to be introduced to its clients in the near future.

ARAB BANK PLC GENERAL ASSEMBLY AGENDA

First : Annual Ordinary General Assembly.

1. Presentation and adoption of the Minutes of the previous 67th meeting of the General Assembly.
2. Presentation of the report of the Board of Directors for the year 1997 and outlook for 1998.
3. Presentation of the Auditors' Report on the financial statements of the Bank for the financial year 1997.
4. Presentation and approval of the financial statements of the Bank for the year 1997 and adoption of the recommendation of the Board of Directors to distribute a dividend for the year 1997 at the rate of JOD 4.0 per share, being 40% of the nominal value of JOD 10 per share.
5. Release of the members of the Board of Directors from liability for the year 1997.
6. Election of the new Board of Directors for a four-year term starting from the date of election.
7. Election of the Bank's Auditors for the year 1998 and determination of their remuneration.
8. Other issues.

Second : Extraordinary General Assembly

1. a) Amendment of Article no.(6) of the Bank's Charter of Association and By-Laws to read as follows: "The company capital is composed of JOD 88,000,000 divided into 8,800,000 shares of nominal value of JOD 10 per share"
- b) The accomplishment of the capital increase of JOD 44,000,000 by transferring the amount to capital from voluntary reserve.
- c) The distribution of the new 4,400,000 shares to the shareholders of the General Assembly in accordance with the regulation of the Jordanian Security and Exchange Commission no. (2) of 1997.
- d) Dividends will be payable on the income of the period starting January 1, 1998.
2. To approve the purchase of the remaining 50% of the shareholders' equity in Arab Bank Maroc from Banque Centrale Populaire, thus increasing the shareholding of Arab Bank Plc to 100%.



ARAB BANK GROUP

Some years ago we planted a seed for future growth and the people who planted their endeavors to build a comfortable and secure future. This seed has grown and now it is a tree. It has grown to a global scale to many people around the world. We have over 370 branches and offices worldwide and our asset strength has never been stronger. We are in a prime position to greet the millennium with open arms.

Balance Sheet as of 31 December 1997 and 1996

Assets	1997 US\$ ('000)	1996 US\$ ('000)
Cash and due from banks	3 664 933	4 272 371
Funds with central banks	1 974 840	1 750 741
Government securities	1 049 930	912 919
Trading securities	181 990	165 970
Loans and advances (Net)	7 578 519	6 829 633
Long-term investments (Net)	1 733 118	1 534 317
Fixed assets (Net)	141 621	98 699
Other assets	483 433	338 799
Total Assets	16 808 384	15 903 449
Customers' liability on guarantees, letters of credit and other contingencies	5 694 439	4 883 187
Total	22 502 823	20 786 636

Income Statement for the years ended 31 December 1997 and 1996

	1997 US\$ ('000)	1996 US\$ ('000)
Interest income	1 244 348	1 252 857
Commission income	111 536	111 807
Less: Interest expense	811 998	834 214
Commission expense	3 854	4 483
Net interest and commission	540 032	525 967
Less: Provision for doubtful debts and investments	45 870	51 580
Net interest and commission after provision	494 162	474 387
Plus: Foreign exchange trading	25 624	25 518
Other income	57 726	41 507
Net income before tax	577 512	541 412
Less: General and administrative expenses	282 311	268 065
Net income before tax	295 201	273 347
Income tax	74 429	75 529
Net income	220 772	197 818
Appropriation:-		
Net income	220 772	197 818
Retained earnings brought forward	483	5 763
Total	221 255	203 581
To statutory reserve	766	852
To voluntary reserve	39 489	39 606
To general reserve	114 861	96 844
To reserves with associated companies	31 367	33 559
Proposed cash dividends	32 474	32 159
Directors' remunerations	78	78
Retained Earnings Carried Forward	2 220	483
Total appropriation	221 255	203 581

Liabilities and Shareholders' Equity	1997 US\$ ('000)	1996 US\$ ('000)
Customer deposits	10 444 932	9 680 749
Bank deposits	3 201 194	3 303 474
Borrowed funds	1 036	24 060
Cash margin	711 322	598 104
Provisions	347 079	369 660
Proposed dividends and remunerations	32 552	32 237
Other liabilities	522 225	492 706
Total Liabilities	15 237 400	14 500 990
Shareholders' Equity		
Capital	84 897	84 897
Statutory reserve	79 552	78 766
Voluntary reserve	258 325	218 836
General reserve	853 487	738 626
Reserves with associated companies	343 234	311 867
Retained earnings	2 220	483
Total	1 621 695	1 433 459
Translation adjustments	(50 751)	(31 016)
Total Shareholders' Equity	1 570 944	1 402 459
Total liabilities and Shareholders' Equity	16 808 384	15 903 449
Guarantees, letters of credit and other contingencies	5 694 439	4 883 187
Total	22 502 823	20 786 636

Sister, Subsidiary & Associated Companies

Arab Bank	Percentage of Ownership
Arab Bank (Switzerland) - Zurich, Geneva	100%
Arab Bank Australia - Sydney	100%
Arab Bank (Austria) AG - Vienna	100%
Arab Bank AG - Frankfurt/Germany	100%
Arab Bank Maroc-Morocco	100%
Islamic International Arab Bank	100%
Finance, Accountancy, Mohassaba S.A	100%
Arab Tunisian Bank-Tunis	64%
Arab Palestinian Investment Bank, Palestine	55%
Oman Arab Bank-Oman	49%
Arab National Bank-Saudi Arabia	40%
Arabia Insurance co., Lebanon	37%
Egyptian Financial Group For Portofolio managment	33%
Commercial Building Co., Lebanon	30%

Call us at any of our following major center:

Amman (6) 638161, Ramallah (2) 998 2400, Bahrain (973) 212255, Frankfurt (69) 242590, London (171) 315 8500, New York (212) 715 9700, Paris 01 45 61 60 00, Singapore (65) 533 0055, Sydney (2) 9377 8900, Vienna (1) 5134240, Zurich (1) 265 7111.

Visit our website on the Internet at [Http://www.arabbank.com](http://www.arabbank.com)





ARAB BANK

PLC

Balance Sheet as of 31 December 1997 and 1996

	1997	1996
Assets	JD ('000)	JD ('000)
Cash and due from banks	2 704 365	3 247 036
Funds with central banks	1 334 142	1 205 416
Government securities	719 186	715 993
Trading securities	27 872	23 989
Loans and advances (Net)	4 672 390	4 163 339
Long-term investments (Net)	927 516	727 654
Fixed assets (Net)	81 362	56 620
Other assets	294 242	198 088
Total Assets	10 761 075	10 338 135
Customers' liability on guarantees, letters of credit and other contingencies	3 628 620	3 143 859
Total	14 389 695	13 481 994

	1997	1996
Liabilities and Shareholders' Equity	JD ('000)	JD ('000)
Customer deposits	6 759 994	6 396 576
Bank deposits	2 371 558	2 472 452
Borrowed funds	9 683	17 064
Cash margin	488 766	412 443
Provisions	141 610	146 645
Proposed dividends and remunerations	17 655	17 655
Other liabilities	251 809	245 300
Total Liabilities	10 041 075	9 708 135
Capital	44 000	44 000
Statutory reserve	44 000	44 000
Voluntary reserve	170 000	142 000
General reserve	462 000	400 000
Total Shareholders' Equity	720 000	630 000
Total Liabilities and Shareholders' Equity	10 761 075	10 338 135
Guarantees, letters of credit and other contingencies	3 628 620	3 143 859
Total	14 389 695	13 481 994

Income Statement for the years ended 31 December 1997 and 1996

	1997	1996
	JD ('000)	JD ('000)
Interest income	733 202	745 458
Commission income	63 799	61 711
Less: Interest expense	505 949	525 462
Commission expense	2 155	2 538
Net interest and commission	288 897	279 169
Less: Provision for doubtful debts and investments	25 268	28 715
Net interest and Commission after provision	263 629	250 454
Plus: Foreign exchange trading	10 764	12 090
Other income	36 446	27 303
	310 839	289 847
Less: General and administrative expenses	165 192	153 697
Net income before tax	145 647	136 150
Income tax	37 992	40 495
Net income	107 655	95 655
Appropriation:		
To voluntary reserve	28 000	26 000
To general reserve	62 000	52 000
Proposed cash dividends	17 600	17 600
Directors' remunerations	55	55
Total Appropriation	107 655	95 655

Cash Flow Statement for the years ended 31 December 1997 and 1996

	1997	1996
	JD ('000)	JD ('000)
Cash flow from operating activities:		
Interest and commission received	835 810	807 837
Interest and commission paid	(498 701)	(525 866)
General and administrative expenses paid	(154 320)	(143 776)
Net cash provided from (used in) operations before changes in assets and liabilities	182 789	138 195
(Increase) decrease in assets:		
Loans and advances	(532 087)	(476 372)
Trading securities	(3 883)	618
Other assets	(87 753)	(64 956)
Increase (decrease) in liabilities:		
Customer deposits	363 418	599 238
Bank deposits	(100 894)	286 484
Cash margin	76 323	41 640
Other liabilities	(5 899)	65 854
Net cash provided from (used in) operations before income tax	(107 986)	590 701
Income tax paid	(40 495)	(30 649)
Net cash provided from (used in) operations	(148 481)	560 052
Cash flow from investing activities:		
(Purchase) sale of fixed assets	(35 614)	(14 385)
(Purchase) sale of investments securities	(201 621)	(171 837)
(Purchase) sale of government securities	(3 193)	(48 128)
Net cash provided from (used in) investing activities	(240 428)	(234 350)
Cash flow from financing activities:		
Borrowed funds from Central Banks	(7 381)	(4 389)
Dividends paid to shareholders	(17 655)	(15 455)
Net cash provided from (used in) financing activities	(25 036)	(19 844)
Net increase (decrease) in cash	(413 945)	305 858
Cash and cash equivalent at beginning of year	4 452 452	4 146 594
Cash and cash equivalent at end of year	4 038 507	4 452 452

Conversion rates of foreign currencies against the Jordanian Dinar for consolidation purposes

Currency	End 1997	End 1996
Bahraini Dinar	0.532	0.532
Cyprus Pound	0.741	0.663
French Franc	8.439	7.388
Greek Drachma	398.480	348.298
Italian Lire	2 480.160	2 156.800
Korean Won	1 995.430	1 190.320
Lebanese Pound	2 153.070	2 188.320

Currency	End 1997	End 1996
Pound Sterling	0.850	0.834
Qatari Riyal	5.130	5.130
Spanish Peseta	213.900	185.098
U.A.E. Dirham	5.180	5.180
U.S. Dollar	1.410	1.410
Yemeni Riyal	184.230	178.940



ARAB BANK PLC

Balance Sheet of Jordan Branches as of 31 December 1997 and 1996

Assets	1997 JD	1996 JD
Cash and due from Banks	1 038 932 072	1 030 234 727
Funds with Central Bank of Jordan	782 240 464	757 623 426
Government Securities	31 631 408	29 511 698
Loans and Advances (Net)	820 528 970	829 219 254
Marketable Securities (Net)	56 129 749	31 034 659
Fixed Assets (Net)	19 550 313	19 376 449
Other Assets	111 737 929	14 364 751
Total	2 860 750 905	2 711 364 964

Profit and Loss Statement for the years ended 31 December 1997 and 1996

Revenue	1997 JD	1996 JD
Interest income	199 606 261	192 480 200
Commission income	18 689 470	17 444 802
Less:		
Interest expense	141 137 489	128 253 653
Commission expense	369 318	327 346
Net interest & Commission	76 788 924	81 344 003
Plus:		
Income from:		
Securities Portfolio	765 407	878 089
Foreign Exchange Trading	1 912 192	1 686 867
Other income	1 945 344	2 076 945
Increase in the provisions for loans & advances	2 102 732	-
Less:		
Provisions for Loans & Advances	-	2 500 000
Provisions for Share Losses	1 500 000	4 000 000
Loan losses	292 549	307 603
General and Administrative Expenses	41 823 519	36 649 112
Amortisation of International Islamic Arab Bank fees	3 250 000	-
Income Before Tax	36 648 531	42 529 189
Income Tax	(16 188 000)	20 277 305
Net income	20 460 531	22 251 884
Appropriations :-		
To Voluntary Reserve	-	8 505 838
To General Reserve	3 887 561	-
To Universities Fees	366 485	425 292
To Provision for Scientific Research	366 485	425 292
Profit Transferred to H.O.	15 840 000	12 895 462
Total	20 460 531	22 251 884

Liabilities & Shareholders' Equity	1997 JD	1996 JD
Customers' Deposits	2 259 619 826	2 134 612 967
Banks' Deposits	204 401 633	239 211 888
Borrowed Funds	129 960	89 720
Cash Margins	162 688 913	134 333 797
Provisions	19 446 945	27 046 857
Other Liabilities	95 901 070	81 394 738
Total Liabilities	2 742 188 347	2 616 689 967
Capital	44 000 000	44 000 000
Statutory Reserve	8 441 527	8 441 527
Voluntary Reserve	44 000 000	34 179 265
General Reserve	22 121 031	8 054 205
Total Shareholders' Equity	118 562 558	94 674 997
Total Liabilities and Shareholders' Equity	2 860 750 905	2 711 364 964

Cash Flow Statement for the years ended 31 December 1997 and 1996

	1997 JD	1996 JD
Cash flow from operating activities		
Interest and commission received	219 305 766	212 974 275
Interest and income paid	(141 522 851)	(125 633 611)
General and administrative expenses paid	(43 045 950)	(35 004 873)
Cash flow from (used in) operations before changes in assets and liabilities	34 736 965	52 335 791
(Increase) decrease in assets		
Loans and advances	10 500 467	(20 269 004)
Other assets	(94 393 940)	6 056 793
Increase (decrease) in liabilities		
Current and demand deposits	24 023 955	(49 751 840)
Savings and time deposits	100 982 904	130 134 758
Bank deposits	(34 810 255)	42 334 880
Cash margin	28 355 116	9 053 799
Other liabilities	11 578 475	13 684 382
Other provisions	(425 292)	(828 570)
Net cash flow from (used in) operations before tax	80 548 395	182 750 989
Income taxes paid	(24 095 590)	(17 813 860)
Net cash flow from (used in) operations activities	56 452 805	164 937 129
Cash flow from investing activities		
(Purchase) of fixed assets	(2 327 356)	(2 835 904)
(Purchase) of investment securities	(26 595 090)	(10 352 900)
Sale of government securities	(2 119 710)	2 287 530
Dividends received	758 956	835 639
Net cash flow from (used in) investing activities	(30 283 200)	(10 065 635)
Cash flow from financing activities:		
Borrowed funds from Central Bank of Jordan	40 240	(19 788)
Profit transferred to H.O.	(12 895 462)	-
Voluntary Reserve	9 820 735	-
General Reserve	10 179 265	-
Net cash flow from (used in) financing activities	7 144 778	(19 788)
Net increase (decrease) in cash	33 314 383	154 851 706
Cash and due from banks at beginning of the year	1 787 858 153	1 633 006 447
Cash and due from banks at end of the year	1 821 172 536	1 787 858 153

AUDITORS' REPORT

To the Shareholders of Arab Bank Plc
Amman - Jordan

We have audited the accompanying balance sheet of Arab Bank Plc (a Jordanian Public Shareholding Limited Company) as of 31 December 1997 and 1996 and the related statements of income and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have obtained the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

We conducted our audit in accordance with the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

The Bank maintains proper accounting records which are in agreement with the accompanying financial statements and with the financial information included in the Board of Directors' Report.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Arab Bank Plc as of 31 December 1997 and 1996 and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards, and we recommend that the General Assembly approve these financial statements.

Amman - Jordan
24 January 1998

Saba & Co.



ARAB BANK BRANCHES, SISTER, SUBSIDIARY AND ASSOCIATED COMPANIES

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Clinton and the Middle East: Lost opportunities?

Foreign Policy magazine, published by the Carnegie Endowment for International Peace, asked eight Arabists to grade U.S. President Bill Clinton. Following is the essay written by Professor Fawaz Gerges on the Middle East and published in the magazine's winter 1997-1998 edition.

TESTIFYING BEFORE Congress in 1996, former Secretary of State James Baker decried President Clinton's "failure of leadership" in the Middle East. And he had every right to be annoyed. The political landscape that Clinton inherited from former President George Bush had held considerable promise: The international coalition assembled by Bush had liberated Kuwait and defeated Iraqi President Saddam Hussein. Responding to Arab and Third World criticism of America's double-standard towards Israel, Bush and Baker had successfully browbeaten the then-Likud government of Prime Minister Yitzhak Shamir to participate in the 1991 Madrid peace conference and taken a hardline stance against building new settlements in the occupied Palestinian territories. They also pursued a non-inflammatory approach toward Iran that showed promise of reducing tensions. In short, with the elimination of the Soviet Union, the United States enjoyed unrivalled hegemony in the Middle East. Both its detractors and supporters were looking to it for leadership.

Five years later, anti-American sentiment in the Arab World is on the rise, the peace process is in tatters, and attempts to isolate Iran and Iraq have backfired miserably. Barring a fundamental shift in U.S. policy towards the Middle East, the Clinton administration would likely be remembered for missing an historic opportunity to shape the dynamics of one of the world's most strategic regions. This involves advancing the Arab-Israeli peace process, helping reduce simmering internal tensions, and reclaiming America's moral and political authority in the year of Middle Easterners. The most immediate explanation for this unravelling is the lack of presidential engagement in the making of U.S. policy. Clinton, has focused mainly on low politics and internal issues and, has essentially delegated foreign policy formulation to a select team of aides. High politics, including the Middle East is clearly not Clinton's passion. The president has invested little physical capital in building up the gains made by his predecessor.

More than any other recent president, Clinton appears to conduct foreign policy on an ad hoc basis, often reacting to events as they unfold.

domestic constituencies. Many moderate Israelis and American Jewish leaders have exhorted Clinton to pressure both Prime Minister Benjamin Netanyahu and Palestinian leader Yasser Arafat, and even Israeli President Ezer Weizman has urged Secretary Albright to "bang [their] heads together." Clinton has been reluctant to do so, apparently fearing the hard-line Likud lobby — whose leadership seems to have seized the initiative at the expense of mainstream pro-Israel groups — would mobilise substantial resistance in Congress and the media, complicating political life further for himself and the Democrats.

...despite the charges of some of America's hardline critics, Clinton has refrained from confronting Prime Minister Netanyahu lest he alienate the powerful Likud lobby in the United States.

Consequently, Clinton has not been forceful in nudging Arabs and Israelis to make the necessary concessions. This passive stance worked as long as Arabs and Israelis shared a common understanding on the prerequisites for reconciliation — the land-for-peace formula. But when the hardliners in both camps gained momentum and negotiations reached a stalemate since the summer of 1996, Clinton needed to take personal charge to salvage the peace process from final collapse. Presidential intervention is crucial to breaking the deadlock when regional conditions are most polarised and the two sides are intransigent about peaceful change.

However, despite the charges of some of America's hardline critics, Clinton has refrained from confronting Prime Minister Netanyahu lest he alienate the powerful Likud lobby in the United States. To his credit, the president dispatched former Secretary of State Warren Christopher, to the area numerous times and has himself visited the region twice — actions that have reaffirmed his commitment to a comprehensive peace. Clinton took a

political risk back in 1996 when, one month before the national election, he hastily brokered an Arafat-Netanyahu summit at the White House that could have degenerated into a public relations disaster. But such efforts have been the exception, not the rule. Not only has Clinton largely delegated policymaking to a select team of aides, but his administration has been reluctant to take risks and propose its own ideas and initiatives to break the deadlock.

The White House's policy towards Iran has also been the victim of domestic politics. In 1993, the Clinton administration enunciated a "dual containment" policy designed to overthrow Hussein in Iraq and reform the regime in Iran. Although the White House sought to curtail investment in Iran, it had no intention of completely barring U.S. commerce with the Islamic republic. In fact, American companies were earning tidy profits by purchasing about 700,000 barrels of Iranian oil per day for sale in the overseas market. But following the republican sweep of Congress in 1994, Senator Alfonse D'Amato took over as chairman of the Banking Committee and pledged to hold hearings publicising the extent of American trade with Iran. Facing potential embarrassment, the White House caved in and issued two executive orders banning all U.S. investment and trade with Tehran.

With these executive orders, Clinton had hoped to head off a sweeping sanctions bill that would impose harsh penalties on any foreign company that invested \$40 million or more in Iran's oil and natural gas industries. But with a spate of terrorist incidents and a presidential election only months away, Clinton signed the legislation and all but embraced it as his own. In addition to being costly to the United States, these measures have caused friction with America's European allies, disputes with China and Russia, and deep concern among some Gulf states — all without success in isolating Iran.

Little wonder Middle Easterners view Clinton as more sensitive to domestic politics than any previous U.S. president. Arab and Iranian commentators often portray him as "the most pro-Israel in the history of this country." Among Israelis, the new catch phrase is "being more pro-Israel than necessary." In April 1996, Arafat public opinion was outraged over Washington's perceived collusion with Israel's foray into Lebanon, an attack that resulted in more than 100 casualties. Expressing the sentiments of many people, the leading Arab poet Nazim Qabbani cried: "Does every American leader who dreams of winning the presidency have to

kill us — we the Arabs?"

Iranian, Egyptian, Syrian, Gulf, and other Arab leaders feel that Clinton has abandoned all U.S. previous policy pillars of the past, particularly Washington's previously announced even-handedness and sensitivity to Arab concerns, in favour of a "total commitment" to Tel Aviv. As Rabbani put it:

Why doesn't America behave justly? Why does it use double standards, and speak with two voices?

Why does America wear two masks in the Middle East?

Ironically, most Arab leaders were delighted when Clinton got reelected to a second term. They hoped that the president, freed from electoral constraints, would reaffirm U.S. steadfast commitment to the formula of exchanging territories for peace. However, Arabs, perhaps especially those anxious for an end to the conflict, have become disillusioned with the Clinton administration for its timidity as well as for wavering on the core issues dividing Arabs and Israelis, such as settlements.

In order to avoid deepening the cleavages already present between the United States and its allies in Europe, the Gulf states, and Japan, Clinton needs to initiate a serious dialogue with them on the wisdom of dual containment.

In the Gulf oil monarchies, rulers are feeling "edgy" about this lack of attention, believing that Bush had a better grasp of Gulf security and its importance to U.S. interests. Although Gulfies are divided on what to do with Iraq, many believe that U.S.-led sanctions have devastated Iraqi society and have radicalised internal Islamist opposition groups, particularly in Saudi Arabia. A sense of revenge has taken hold among Iraqis who blame Gulf neighbours for hardships. In Arab eyes, the United States seems more likely a ruthless hegemony bent on punishing unruly Arabs. Little wonder that the Gulf ruling elite fears that U.S. sanctions are sowing the seeds for internal instability and future war in the area.

A reassessment of U.S. policy is urgently needed. In order to avoid deepening the cleavages already present between the United States and its allies in Europe, the Gulf states, and Japan, Clinton needs to initiate a serious dialogue with them on the wisdom of dual containment.

Moreover, the president must become more involved in the peace negotiations and devise an even-handed, imaginative blueprint that bridges the gap between the Arabs and Israel. The collapse of the peace process would likely spill over into the Persian Gulf theatre, affecting U.S. vital interests such as Western access to oil and ongoing attempts to stem the proliferation of weapons of mass destruction.

It is worth remembering that the two highest inflationary periods in the United States in the past 50 years occurred in 1973-1974, as a result of the Arab oil embargo, and in 1979-1980 after the outbreak of the Iranian revolution and subsequent increase in oil prices. One of the major factors behind the unprecedented economic boom in the United States today is inexpensive Persian Gulf oil. Any shock in oil prices would automatically translate into higher unemployment, interest rates, and inflation. Thus it behooves the Clinton administration to keep the lid on Arab-Israeli hostilities.

In the past, the United States has chalked up

a series of noteworthy successes in the Middle East, from the Camp David accords and the formation of a multinational force to drive Saddam Hussein from Kuwait, to the Madrid peace conference. But these successes have hinged upon America's role as an honest broker, intent on upholding international law and reconciling its policies with concern for human rights and justice. When the United States fails to act as a good faith partner, all the resources that it can bring to bear have little discernable impact upon the status quo. Clinton must realise that Middle Eastern aspirations are not incompatible with American objectives.

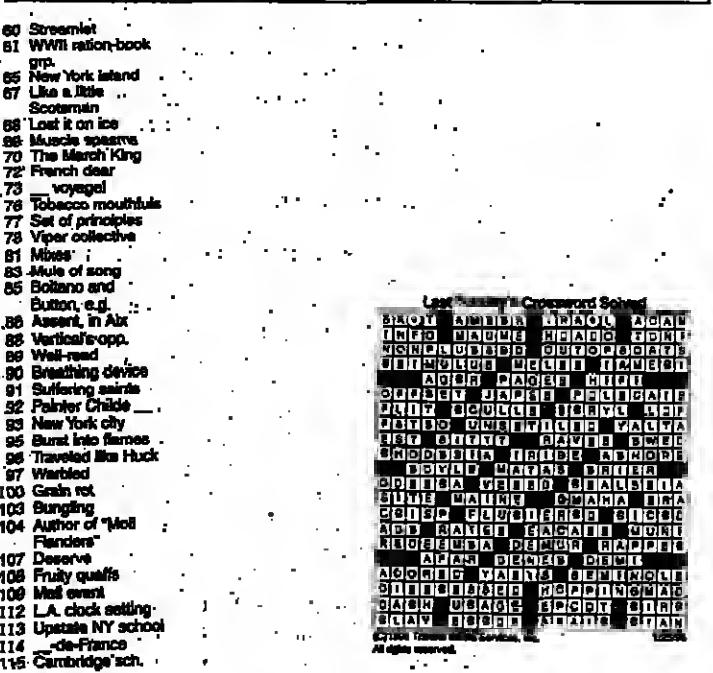
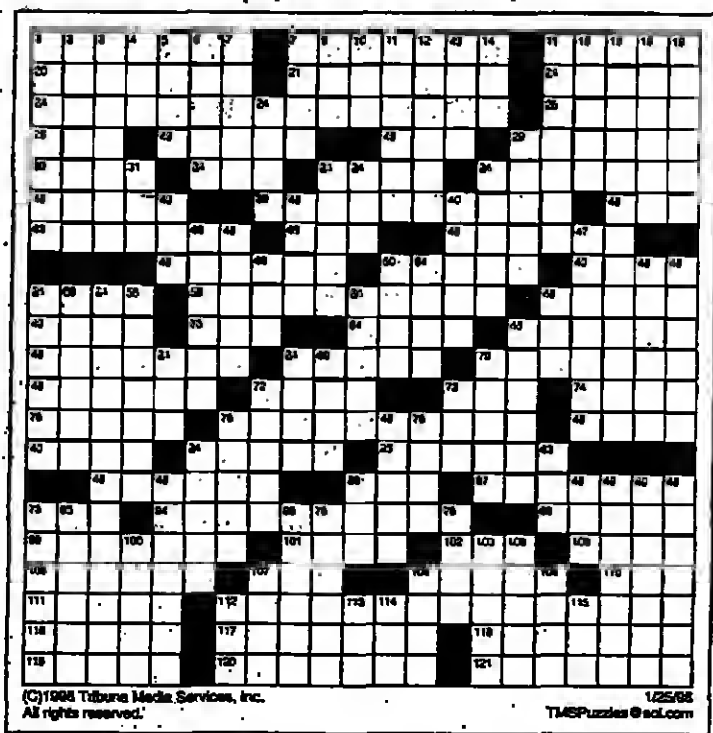
The writer holds the Christian A. Johnson chair in international affairs and Middle East studies at Sarah Lawrence College in the U.S. and is the author of *American and Political Islam: Clash of Cultures or Clash of Interests?* which will be released by Cambridge University Press in summer 1998.

The Saturday Crossword

ONE FOR THE BIRDS

By Susan Delgado, Topeka, Kansas

- ACROSS**
- 1 Thick, creamy soup
 - 5 Strawberry tree
 - 15 Court of the "Today" show
 - 20 Thrombotic characteristic
 - 21 ASAP
 - 22 Clasp in an embrace
 - 23 Architect of St. Paul's Cathedral
 - 25 French lace
 - 26 Comprehensive ending
 - 27 City near Leipzig
 - 28 Gas, petrol
 - 29 Pictorial, sometimes
 - 30 Go, prep
 - 32 A/C measure
 - 33 Ben and Bobby
 - 35 Headlining
 - 36 Of the snail
 - 37 Intestine
 - 38 Get lost
 - 41 Maiden name
 - 42 Get lost
 - 43 City NE of Seattle
 - 45 Public defenders, for short
 - 46 Put back picture
 - 48 Long John Silver's feature
 - 49 Noon and midnight, e.g.
 - 52 Customary adverb, lately
 - 53 Carrier bag
 - 54 Pear response
 - 55 Early-stage seed
 - 56 Russian ruler
 - 57 Whitehead
 - 58 Table
 - 59 Measurement
 - 60 Absconded
 - 61 Stored supply
 - 62 Cat on the prowl
 - 63 Jay-buzzer
 - 64 History muse
 - 65 Long scarf
 - 66 Embroidery
 - 67 Eagle's nest
 - 68 Beat a heavy retreat
 - 69 Oiled
 - 70 B.L.T. topping
 - 71 Storage building
 - 72 Feet and present
 - 74 Between-molls stage
 - 75 Supplied
 - 76 Excitations
 - 77 Argyle's name
 - 78 Miter
 - 79 Chinese
 - 80 Groceries
 - 81 Blackmore's "Dance"
- DOWN**
- 10 Hanging for, name
 - 11 Gator
 - 12 Helping hand
 - 13 German river
 - 14 Sine
 - 16 B.K. fly-bys
 - 17 Chosen, also
 - 18 C.F. competition
 - 19 Middle's base
 - 24 Day, Donatello, Caselli, et al. or TV
 - 26 Zee
 - 27 Teapong tower
 - 28 More mannerly
 - 29 Ship's poles
 - 31 Middle's base
 - 32 Balcony on the brink
 - 34 One-third of the world
 - 35 Moor of Venice
 - 36 Soprano
 - 37 Fama, water?
 - 38 Usher or Dorothy
 - 39 Intense adverb
 - 40 Young nation
 - 41 US tennis stadium
 - 42 Lobster eggs
 - 43 One-third of NYC
 - 44 Off guard
 - 45 Mother of a
 - 46 Calcutta
 - 47 Addict
 - 48 R.R. stop
 - 49 Hawaiian volcano
 - 50 Blue-dye plants
 - 51 Speeding trunk
 - 52 Mandrel altar
 - 53 Malware
 - 54 Stopper
 - 55 Photographic, "actions"
 - 56 Table
 - 57 Old enough
 - 58 "Redemption"
 - 59 Author's name
 - 60 Soundwalk
 - 61 extensions
 - 62 Fallout
 - 63 Public place
 - 64 Drummer Gene
 - 65 Mundicant
 - 66 Intense emotion
 - 67 Chamberlain, the
 - 68 Shirley PA
 - 69 Reed or flue
 - 70 San. McCarthy's
 - 71 City on the Irish
 - 72 "Tasty" Tunes
 - 73 star
 - 74 Scorching
 - 75 Distinct call
 - 76 Sounding white
 - 77 Trench, Las
 - 78 Palm, etc.
 - 79 de-France
 - 80 WWII author's meal



A close look at Vatican document

By Pascal B. Karny

ON MARCH 17, 1998 the Vatican issued what is called "The Holocaust Document" which has been prepared since 1978. The gist of the document is, an apology and repentance on behalf of some Catholics and other Christians for not having done enough or failed to save Jews from the Jewish Holocaust during World War II (WWII).

The document was not well received by some Jews and Israelis on two main grounds: First, it is far less than what was expected and hoped for as it failed to account for the role of the Catholic Church's historic teaching of contempt towards Jews and thus paved the way for anti-Semitism and for the crimes of the Holocaust committed by the Nazis during WWII. Secondly, although the document condemned anti-Semitism and described the Holocaust as an "unspeakable tragedy" and Pope John Paul II described the genocide an "indelible stain" on the 20th century, it nevertheless absolved wartime Pope Pius XII of accusations by some Jews that he turned a blind eye to the Jewish tragedy.

Let us deal with the first ground. Some of the Jewish writers and Zionists claim that the Catholic Church teachings helped create anti-Semitism. The Jewish French historian Jules Isaac was one of them. He wrote two books: "The Roots of Anti-Semitism" and "Jesus and Israel." In the first book he claimed that the root cause of anti-Semitism was the Christian Church and in particular the four Gospels which relate the life and death of Jesus Christ. In the second book, he denigrated the Christian religion and especially the Divinity of Jesus Christ and he also tried to prove that the Jews of the time of Christ were not responsible for his death in that the Roman Governor Pontius Pilate was the one who gave the death order. The four Gospels however, which were written by Jewish disciples of Christ clearly show the contrary in that the Jews of the time insisted on Christ's death, and Pontius Pilate washed his hands of the whole matter. However, we need not go here through the details of this matter. But do those Jews like Jules Isaac want the Catholic Church, or for that matter any Christian Church, to amend or not to teach the New Testament that contains the four Gospels and the Epistles of St. Paul and Saint Peter and others simply to meet their demands. No Christian Church of that name will dare change the indubitable historical facts related in the New Testament.

Nevertheless, the Catholic Church in general and Pope John Paul II in partic-

ular have always condemned anti-Semitism and gone a long way to reconcile with Judaism and have taken wide strides to ingratiate themselves with it since the holding of the Second Vatican Council (1962-1965) in Rome. Notwithstanding the sincere Churches' steps and approaches towards Judaism, some of the Jews and Zionists took the opportunity on many occasions to criticise the Church or the Pope himself as shown below:

In May 1978 some of the Jews, namely Tullia Zevi, president of the Union of Italian Jewish Communities, the writer James Raphael Baaden, an American Jew, and Ernest Biberstein, a microbiologist at the University of California, attacked Pope John Paul II because he declared in Germany the beatification of Sister Teresa which is the final step before being declared a saint. She was originally of Jewish faith but became Christian during her lifetime and was baptised by the Catholic Church under the name of Sister Teresa Benedic of the Cross. She lived in the convent and taught philosophy at a convent school at Speyer in Germany and thus retained her Christian faith, a similar case would have occurred unnoticed by the outside world, let alone world Jewry. The latter criticised the Pope for this beatification on the ground Sister Teresa was originally a Jewess and for that reason was taken by the Germans to Auschwitz concentration camp where she died. It should be pointed out that the Nazis did not care at all whether the person is a Christian or not as long as the person or his or her ancestors are of Jewish origin.

In 1987 Zionists, Jewish leaders and rabbis in many countries protested against the Pope for having officially received on June 1987 at the Vatican Dr. Kurt Waldheim ex-president of Austria. They alleged that, Kurt Waldheim was involved in Nazi activities during WWII when he was a German officer in Yugoslavia and Greece and should not therefore have been welcomed by the Vatican. It may be recalled that Dr. Waldheim had served the United Nations for 10 years as secretary-general with no blemish on his previous career. After retirement from the U.N. he was elected as president of Austria by an overwhelming majority of the Austrians despite the World Jewish Congress publication of spurious accusations proffered against him. In effect, no evidence at all was adduced to substantiate the charges. Moreover, the Pope could not possibly refuse the visit of Austria's president who was the head of one of the most ardent Catholic countries in Europe and one of the pillars of Chris-

tianism. The second ground of criticism addressed to the Vatican document by some Jews is about Pope Pius XII and the failure of Catholics to rescue Jews from the Holocaust. Jewish leadership accused Pope Pius XII of having overlooked and never condemned the mass killings of Jews. Even they made a play called "The Vicar" which was replete with slanderous accusations against the Pope and the Catholic Church. They feign to forget that during WWII the Catholics as well as the Protestants had risked their own lives and helped thousands of Jews to escape or to hide from the Nazis. By contrast, the elite Jewish leaders in Hungary and elsewhere in Europe cooperated with the Nazis during the war to save their skins and thereby sacrificed thousands of Jews by sending them to the concentration camps, on this matter the reader may refer to the book titled "Parfidy" written by a Jewish writer Ben Hecht and to Eichmann's trial which took place in Jerusalem. Even Yitzhak Shamir had collaborated with the Nazis and was detained by the British authorities on the ground of collaboration with the enemy, namely the Germans.

In April 1986 Pope John Paul II visited the Chief Rabbi of Italy and both prayed together in a synagogue as a sign of reconciliation between the Catholic Church and Judaism. At that meeting the Chief Rabbi acknowledged that the Catholics helped at great risk to their lives Rome's Jews among whom 11,000 survived the German occupation.

As the Vatican document states, Pope Pius XII could not possibly overtly condemn the savage Nazi acts at the height of Nazi Germany because the latter would have resorted to the persecution and killing of Catholics as well as more Jews. Indeed Pope Pius XII in person or through his representatives in the Vatican embassies helped save hundreds of thousands of Jews as admitted by Jews themselves and even Israel. However the Vatican document did mention that there were some Christians who failed to help the Jews or condoned the disappearance or killing of Jews.

The Vatican Document is a balanced one: it severely blamed the Christian individuals for failing to help the Jews when they could find no reason at all for blaming Pius XII or the Catholic Church as an institution which is beyond reproach. This is also I believe, the final position of Pope John Paul II regardless of the hue and cry of some Jewish leaders who are always inclined to criticise the Catholic Church or its head.

AFM trading reaches JD21.8m as Arab Bank liquidates saving fund

West Bank market is the real way out of recession — Kabariti

THE JORDAN Kuwait Bank (JKB) is conducting a study to explore the possibility of a merger with the Union Bank for Savings and Investment, JKB Chairman Abdul Karim Kabariti told the bank's general assembly Wednesday evening. He said the bank is presently weighing the obligations and costs which will be arising and comparing them with the benefits that will be reaped from such a merger.

Mr. Kabariti also informed the shareholders that work is under way to complete the measures that will transform JKB into a comprehensive bank in line with the criteria specified by the Central Bank. "JKB is also studying expanding operations to the West Bank, Egypt and Lebanon in addition to a presence in the Arab Gulf countries through

the bank's strategic partners there," he said. The JKB chairman indicated that Gulf investments, especially the Kuwaiti, are large and continuously expanding in Jordan. He pointed out that the Gulf investments are seeking to buy stakes in established companies or firms under establishment. "Through the JKB, Kuwaiti and Saudi investors are considering investments in Jordanian pharmaceutical companies," Mr. Kabariti explained.

"The bank applied for permission to establish a commercial, agricultural, industrial and handicraft company to carry out consultancy services for Jordanian expatriates or Arab Gulf nationals in Jordan. JKB also sought permission to establish a real estate company and another to have the right to manage investment portfolios," the chairman told the ordinary general assembly meeting.

He mentioned also that the Central Bank has recently authorised the bank to take a 50 per cent in the United Company for Financial Investment to provide investment services on its behalf. However, the Central Bank did not see it necessary for the banks to carry out insurance business as the JKB was seeking to establish an insurance company or to hold a 10 per cent equity in an insurance firm.

According to the balance sheet, JKB succeeded in raising the assets by 11.8 per cent or JD33 million to JD312 million. The portfolio of credit facilities was raised by seven per cent on JD10 million, when the total direct credit facilities extended by the whole banking sector did not grow above 1.6 per cent. Customer

deposits reached JD240 million. JD18 million higher than the figure posted at the end of 1996. The eight per cent growth in deposits compared with only 6.6 per cent overall growth in deposits achieved by the whole banking sector. The bank recorded a JD3.13 million gross profit in 1997 compared to JD1.5 million in 1996. Net profit after tax amounted to JD2.47 million out of which JD1.5 million was allocated as a reserve for branching outside Jordan.

Mr. Kabariti concluded by pointing out that facing the deepening recession and slowing the economic retreat should be countered by opening new markets. He called for a "Jordanian economic offensive" on outside markets and asserted that Jordan's real way out is the West Bank market. "Efforts should be doubled to pressure Israel to open the West Bank markets to Jordanian trade," he said (Al Ra'i + Al Dostour + Al Aswaq).



JKB Chairman Kabariti (center) addresses shareholders during the General Assembly meeting

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The Business of Information

Major Currencies & Cross Rates Prices as at 27/03/98 18:38

Currency	USD	DEM	GBP	CHF	JPY	CAD	ITL	NLG	FRF
US Dollar	-	1.8255	0.8938	1.4968	130.16	1.4145	1801.00	2.0890	6.1227
DE Mark	0.5478	-	0.3282	0.8198	71.28	0.7746	985.83	1.1271	3.3523
GB Sterling	1.6842	1.0739	-	2.6196	219.18	2.3823	3031.08	3.4843	10.3046
CH Franc	0.6681	1.2190	0.3965	-	86.89	0.9439	1202.19	137.40	4.0700
JP Yen	0.0077	1.4026	0.4863	1.1806	-	1.0867	13.82	158.12	4.7870
CA Dollar	0.7070	1.2916	0.4225	1.0566	1.09	-	1270.80	1.4581	4.3265
IT Lira	0.0006	1.0745	0.3297	0.8832	138.43	0.7857	-	11.43	3.4019
NL Guilder	0.4857	0.8857	0.2884	0.7274	63.17	0.5871	874.06	-	2.9727
FR Franc	0.1633	0.2879	0.0968	0.2414	21.23	0.2307	33.56	33.5600	-

Middle Eastern Currencies

Currency	USD	JOD	SAR	BAH	QAT	KUW	AED	LBP	EGP
US Dollar	-	0.7090	3.7604	0.3770	3.6390	0.3052	3.6727	1627.30	3.4710
Jordan Dinar	1.4104	-	5.2897	0.5317	5.1326	0.4304	5.1801	2154.16	4.8198
Saudi Riyal	0.2666	0.1890	-	0.1005	0.97	0.8914	0.98	407.24	9.3111
Bahraini Dinar	2.41	3.606	0.480	-	0.86	0.8884	0.74	4051.19	8.0637
Qatar Dinar	0.2748	0.1948	1.0396	-	0.0639	1.01	119.70	0.9390	-
Kuwait Dinar	3.2771	2.3234	12.9903	1.2358	11.93	-	12.04	6005.08	0.9390
Emirates Dinar	0.2723	0.1930	1.0212	0.1026	0.9908	0.8831	-	415.86	0.9304
Lebanese L1000	0.65	0.4642	2.4556	0.2468	2.3826	1.9988	2.4047	-	2.2373
Egyptian	0.2927	0.2076	1.0976	0.1103	1.0650	0.8893	1.0748	448.97	-

Energy

Oil	Last	Previous
Brent	16.08	15.24
W. Texas	16.89	16.89
Bonny	16.08	15.24
Dubai	13.18	12.75
U.L. Gas	159.00	159.00

Mid-East Currencies

Currency	USD	DEM	GBP	CHF	JPY
SA Riyal	0.2668	0.4889	0.15844	0.3995	34.7054
AE Dirham	0.2723	0.49722	0.16178	0.40796	35.4396
KW Dinar	3.2771	5.98444	1.94742	4.90918	426.621
BH Dinar	0.3770	0.484262	1.57604	3.97466	345.304
CY Pound	1.8718	3.4203	1.1126	2.8058	243.761

Metal Prices

Metal	Bid	Offer
Gold (oz/s)	304.05	304.45
Silver (oz/s)	6.44	6.47
Platinum (oz/s)	413.5	416.5
AL (3 Months)	1488	1491
CU (3 Months)	1748	1751
Zinc (3 Months)	1115	1118
Lead (3 Months)	582	583
NI (3 Months)	5515	5535

Libor Fixing

Period	1 - 3	3 - 6	6 - 12	1 - 12
Cntry	Month	Month	Month	Year
USD	5.7188	5.7344	5.7369	5.9141
GBP	7.5280	7.5858	7.6042	7.6094
JPY	0.8958	0.8921	0.7813	0.7804
DEM	3.6000	3.6824	3.7375	3.8749
FRF	3.5313	1.4187	1.5000	1.6771
CHF	1.2542	3.6898	3.6963	3.8438
ITL	5.8920	6.2450	4.9910	-

Main Equity Indices

Bourse	Index	Value	Chng	% Chng	High	Low	Pt Chg
New York	DOW JONES	8878	-30.39	-0.35	8985.72	8807.53	8846.59
New York	S&P 500	1095.57	-6.13	-0.47	1107.18	1095.43	1100.8
London	FT-SE 100	5908.9	3.3	0.06	5977	5898	5905.8
Tokyo	Nikkei 225	16739.28	-241.36	-1.42	17078.4	16738.8	16980.8
Paris	CAC 40	3810.23	26.45	0.7	3851.1	3785.29	3783.78
Frankfurt	DAX	6083.16	43.4	0.8	6086.44	6038.21	6038.78



Energy

Commodity	Last	Delivery
Coffee (c/bn)	153.33	Spot
Cocoa (\$/ton)	1888	Spot
Sugar (\$/ton)	289.2	Spot
Wheat (\$/ton)	91.5	Spot
Soya (c/bn)	27.81	Spot
Tea (c/bn)	150	Spot
Barley (\$/bsh)	0	Spot
Rice (\$/ton)	400	Spot

JOD Cross Rates

Currency	Buy	Sell
US Dollar	0.708	0.710
GB Sterling	1.1541	1.18
DE Mark	0.3871	0.389
CH Franc	0.4735	0.4769
FR Franc	0.1158	0.1161
JP Yen	0.8497	0.8524
NL Guilder	0.3438	0.3462
IT Lira	0.3527	0.3547

* Source: Central Bank of Jordan.

AMMAN FINANCIAL MARKET														
HOUSING BANK CENTER AMMAN - SIDDIQANI														
TELEPHONE: 607171 / 607179														
ORGANIZED MARKET TRADING ACTIVITY FOR THE PERIOD (21/02/1998 - 29/02/1998)														
WEEKLY REPORT														
														
DURING THE LAST 3 WEEKS		COMPANY NAME	P/E	DIV	NO. OF CONTRACTS	NO. OF SHARES	VALUE TRADED	OPENING PRICE	HIGH	LOW	CLOSING PRICE	CHANGE	AVERAGE PRICE	NO. OF TRADING DAYS
HIGH	LOW				CONTRACTS	SHARES	JD							
345.000	237.000	ARAB BANK	12.9	1.17	147	44060	14829359	227.00	369.00	336.00	341.00	+ 4.00	336.799	1.002
1.950	1.710	JOR. NATIONAL BK.	-	0.00	143	119029	199694	1.72	1.70	1.66	1.69	- 0.02	1.678	282
2.100	2.100	CAIRO ARAB BANK	6.4	4.84	1	10000	21000	2.10	2.10	2.10	2.10	-	2.100	100
3.000	2.000	CAIRO ARAB BANK/NEW	-	0.00	1	5000	15000	2.00	2.00	2.00	2.00	-	2.000	100
1.270	1.230	BANK OF JORDAN	3.9	0.00	10	2104	2758	1.39	1.32	1.29	1.29	- 0.10	1.211	012
1.930	1.980	MID-EAST INV.BK.	62.7	0.00	1	1000	970	1.02	0.97	0.97	0.97	- 0.05	0.970	810
1.760	1.680	INTERNATIONAL DEV.BK.	10.2	6.07	13	47889	82800	1.72	1.72	1.72	1.72	-	1.720	271
5.000	4.880	THE HOUSING BK.	29.9	1.94	61	108821	522922	4.88	5.00	4.89	5.00	+ 0.12	4.906	218
1.910	1.820	JOR. KHALIL BANK	-	0.00	20	107978	200084	1.90	1.90	1.84	1.90	-	1.892	720
1.720	1.640	JOR. GULF BANK	3.8	11.11	30	44441	28746	1.64	1.67	1.63	1.63	- 0.02	1.647	222
2.910	2.810	ARAB JOR. INV.BK.	20.2	0.00	2	3075	860	2.81	2.80	2.80	2.80	- 0.01	2.800	021
2.700	2.700	ARAB JOR. INV.BK./NEW	-	0.00	3	10128	2768	2.70	2.70	2.70	2.70	-	2.700	021
2.090	1.940	JOR. ISLAMIC BANK	10.0	4.87	41	12222	24208	1.97	1.99	1.97	1.97	-	1.981	047
0.960	0.820	BEIT AL-MAL (NETDA)	5	17.24	19	9090	4460	0.90	0.90	0.87	0.87	- 0.02	0.882	252
BANKS SECTOR														
		492	511726	15972962	INDEX NUMBER	236.00	CHANGE		+ 0.99%					
2.880	3.870	JERUSALEM INSUR.	10.5	5.17	1	4000	15480	3.87	3.87	3.87	3.87	-	2.870	372
2.400	2.980	JOR. FRENCH INSUR.	5.5	12.76	17	8800	17138	1.99	1.98	1.92	1.96	- 0.03	1.948	400
2.820	1.240	ROLY LAND INSUR.	6.4	0.00	1	2000	2500	1.25	1.29	1.29	1.29	-	1.290	144
2.920	2.000	ARAB LIFE INSUR.	8.4	0.00	1	100	210	2.05	2.10	2.10	2.10	+ 0.05	2.100	005
INSURANCE SECTOR														
		40	14900	35328	INDEX NUMBER	131.61	CHANGE		+ 0.10%					
2.140	2.010	JOR. ELECTRIC PWR.	10.8	4.81	48	27177	59100	2.02	2.08	2.00	2.02	+ 0.06	2.027	281
2.250	2.140	JERUSALEM ELECTRICITY	12.5	9.40	4	628	214	2.14	2.15	2.07	2.10	- 0.04	2.092	030
5.500	4.400	RIVER MINERALS	57.1	0.00	3	3109	11009	5.50	5.22	5.22	5.22	- 0.28	5.220	181
1.170	1.040	REAL PORTFOLIO	42.7	0.00	141	282979	298082	1.09	1.11	1.02	1.07	+ 0.02	1.052	5460
1.040	1.000	REAL ESTATE INV.	13.3	6.33	3	300	385	1.00	0.95	0.95	0.95	- 0.05	0.950	006
1.420	1.390	JORDAN TRADING	20.5	0.00	24	11000	4511	1.38	1.41	1.38	1.40	+ 0.02	1.402	229
9.350	8.750	ALBA I	9.6	6.38	10	1050	9807	9.29	9.50	9.30	9.40	+ 0.11	9.340	051
1.200	1.170	MID. EAST TRAVEL	17.2	0.00	25	19862	225513	1.17	1.18	1.13	1.13	- 0.04	1.135	3894
4.600	4.030	ARAB INTL. INV. ENDS.	10.7	1.86	34	148850	685023	4.37	4.41	4.28	4.30	- 0.07	4.401	1470
0.970	0.940	KARIA EDUCATION	16.7	0.00	12	8650	8161	0.94	0.95	0.92	0.93	+ 0.01	0.943	192
1.790	2.570	UNITED CO.	6.9	7.10	39	13050	20234	1.58	1.58	1.55	1.55	- 0.02	1.557	261
0.700	0.700	UNITED BANK INV.	-	0.00	6	5500	3650	0.67	0.67	0.66	0.66	- 0.01	0.664	010
1.230	1.230	UNITED FOR EXCH. INV.	-	10.47	1	250	293	1.22	1.27	1.17	1.17	- 0.06	1.172	024
SERVICES SECTOR														
		265	700098	1292395	INDEX NUMBER	119.49	CHANGE		+ 0.05%					
1.160	1.100	ATOMORPH	-	0.00	3	13100	14410	1.12	1.10	1.10	1.10	- 0.02	1.100	468
3.040	3.730	JOR. CHEMIST FACT.	18.4	2.97	123	74294	204500	3.73	3.78	3.73	3.77	- 0.01	3.753	122
6.350	5.900	ARAB POTASH CO.	14.1	3.21	21	41450	182222	5.90	5.90	5.78	5.78	- 0.12	5.816	050
18.000	10.100	JORDAN TRADING	16.2	8.35	41	2322	104058	10.46	11.08	10.46	10.60	+ 0.14	10.675	155
5.500	5.500	JORDAN TRADING	8.8	7.27	3	3300	18136	5.50	5.50	5.50	5.50	-	5.492	230
1.300	1.130	INDUSTRIAL COMM. CO.	-	0.00	10	17981	20602	1.12	1.17	1.10	1.21	+ 0.15	1.173	392
6.500	6.400	JOR. MOUNTAIN HILLS	10.2	3.16	7	38947	135436	6.40	6.40	6.23	6.23	- 0.08	6.331	774
5.700	4.950	ARAB JORDAN BANK	14.0	5.94	355	88654	455862	5.12	5.30	5.08	5.08	- 0.05	5.142	985
2.340	2.100	JOR. CHEMICAL IND.	4.2	4.76	2	3250	6829	2.10	2.10	2.10	2.10	-	2.100	065
4.750	4.750	JOR. PRINT & PACK.	-	0.00	2	300	1219	4.75	4.51	4.28	4.28	- 0.47	4.397	100
1.370	1.240	JOR. PAPER MANUFACT.	15.3	6.50	19	10900	13159	1.24	1.33	1.30	1.33	- 0.01	1.307	225
2.640	2.640	JOR. PAPER CARDMAN.	14.0	0.00	4	508	1474	2.64	2.64	2.60	2.60	- 0.18	2.507	020
3.070	2.070	CHEMICAL WILKING	138.1	3.15	2	450	493	2.07	1.97	1.97	1.97	- 0.10	1.972	025
6.000	1.780	RAVIA INDUSTRIES	-	0.00	7	4200	2444	1.82	1.82	1.82	1.82	- 0.02	1.820	280
1.250	5.980	DAR ALDAMA VV. INV.	15.1	4.07	21	13822	84269	6.07	6.15	6.09	6.15	+ 0.08	6.097	230
2.980	3.480	ARAB ALUM. IND.	6.7	8.77	18	7170	20801	2.70	2.80	2.70	2.65	+ 0.15	2.790	120
0.920	0.970	LIVERPOOL & POLYMER	0.00	0.00	129	143500	76600	0.90	0.91	0.86	0.90	- 0.04	0.900	226
0.820	0.740	ARAB PAPER CONV. IND.	32.2	0.00	3	1200	876	0.75	0.73	0.72	0.73	- 0.02	0.730	024
7.000	6.500	NATIONAL STEEL IND.	-	0.00	8	2000	1243	6.5	6.5	6.1	6.1	- 0.04	6.21	050
0.600	0.540	NATIONAL STEEL	-	0.00	21	10277	5732	0.57	0.56	0.59	0.55	- 0.02	0.581	172
0.460	0.410	INTERBANK. PETRO. CHEN.	-	0.00	66	59250	34803	0.43	0.41	0.41	0.41	- 0.02	0.420	1481
3.820	2.830	JOR. CHEM. IND.	23.8	2.43	1	2250	10948	2.83	5.02	5.82	5.82	-	5.820	226
0.600	0.500	JOR. ROPEWORK IND.	-	0.00	19	46487	24924	0.55	0.56	0.55	0.55	- 0.02	0.526	150
1.800	1.430	UNIV. CHEM. IND.	12.7	7.09	13	6250	8802	1.49	1.42	1.40	1.41	- 0.04	1.408	417
2.000	3.000	ALADDIN CO.	22.9	3.81	1	1500	4279	3.00	2.85	2.85	2.89	- 0.15	2.850	100
1.360	1.120	HAZEL-CABER WIRE-PLAC	28.3	0.00	26	16150	18926	1.16	1.22	1.14	1.17	+ 0.01	1.172	928
0.860	0.930	JOR. SULPHUR-CHEN	-	0.00	21	36850	20341	0.91	0.91	0.89	0.89	- 0.02	0.898	028
1.470	1.210	ARAB PAPER-CHEN.	17.1	8.26	38	38950	38908	1.23	1.36	1.32	1.33	- 0.04	1.344	575
0.540	0.520	KAWAYER INVEST.	49.2	0.00	4	1290	479	0.52	0.50	0.50	0.50	- 0.02	0.500	048
1.100	0.920	UNIV. HOOD. IND.	16.1	5.94	245	205210	209286	1.07	1.08	1.00	1.01	- 0.06	1.020	240
0.480	0.750	JOR. INDUS. RESOURCES	10.4	12.99	27	95800	43228	0.78	0.79	0.77	0.77	- 0.01	0.775	499
1.560	1.480	HAZEL-CHEMICAL	12.8	4.79	8	3050	4500	1.48	1.48	1.46	1.46	- 0.02	1.475	048
1.080	0.980	JOR. NEW CABLE CO.	0.00	0.00	169	222407	228120	1.02	1.04	0.99	1.02	+ 0.01	1.019	433
1.470	1.250	EL -SAY RABEY WEAR	47.2	0.00	22	12050	17487	1.35	1.27	1.22	1.34	- 0.01	1.240	174
1.220	1.180	INTL. TORACCO	6.9	0.00	34	191427	182081	1.18	1.20	1.17	1.18	-	1.194	914
1.220	1.020	UNION CH. & VEG.	46.4	0.00	59	80100	82139	1.02	1.02	1.01	1.02	-	1.025	178
1.870	1.740	JORDAN TRADING	27.1	14.19	148	21750	256003	1.74	1.82	1.78	1.82	- 0.02	1.800	819
0.820	0.620	MID-EAST COMEX	7.9	15.62	81	262900	156425	0.64	0.66	0.62	0.64	-	0.630	1195
INDUSTRIAL SECTOR														
		1791	2099601	2910222	INDEX NUMBER	168.09	CHANGE		+ 0.86%					
GRAND TOTAL														
		1791	2099601	2910222	INDEX NUMBER	168.09	CHANGE		+ 0.86%					
NO. OF DAYS TRADED: 5														
DAILY AVERAGE OF TRADING VOLUME: JD 4,044,361														
DAILY AVERAGE OF TRADED SHARES: 6														
DAILY AVERAGE OF CONTRACTS: 6														
AMMAN FINANCIAL MARKET														
HOUSING BANK CENTER AMMAN - SIDDIQANI														
TELEPHONE: 607171 / 607179														
PARALLEL MARKET TRADING ACTIVITY FOR THE PERIOD (21/02/1998 - 29/02/1998)														
WEEKLY REPORT														
														
DURING THE LAST 3 WEEKS		COMPANY NAME	P/E	DIV	NO. OF CONTRACTS	NO. OF SHARES	VALUE TRADED	OPENING PRICE	HIGH	LOW	CLOSING PRICE	CHANGE	AVERAGE PRICE	NO. OF TRADING DAYS
HIGH	LOW				CONTRACTS	SHARES	JD							
1.000	0.910	EXPORT & FIN. INV. 75%	27.2	0.00	17	65197	44452	0.94	0.98	0.92	0.92	- 0.01	0.912	236
1.000	1.000	JOR. UTI. INSURANCE CO.	-	0.00	4	29200	39200	1.00	1.00	1.00	1.00	-	1.000	980
1.100	1.100	JOR. TOURIST TRANS. CO.	3.7	2.61	1	900	939	1.10	1.09	1.09	1.05	- 0.09	1.050	009
0.410	0.380	JOR. TRADE PAC.	0.00	0.00	48	132100	48049	0.39	0.40	0.39	0.39	- 0.01	0.392	52
0.700	0.560	HAZEL-COMMER. CENTERS	-	0.00	8	3123	2048	0.68	0.68	0.62	0.63	- 0.09	0.696	062
0.510	0.420	ARAB FIN. INVEST.	-	0.00	178	497491	224800	0.43	0.49	0.49	0.49	+ 0.05	0.472	4975
0.740	0.720	UNION INV. 50%	-	0.00	80	374397	49887	0.74	0.74	0.74	0.74	-	0.729	1701
0.710	0.670	EL-SAYRABEY TRF.	66.2	0.00	29	100000	100000	0.67	0.71	0.69	0.69	- 0.02	0.690	1701
0.740	0.930	AL-SABAR INV. CO.	252.1	0.00	2	12000	12000	0.97	1.0					



Venus Williams of the U.S. celebrates her semi-final upset as Martina Hingis of Switzerland throws her racket to the ground after losing a game in the third set. Williams, seeded 11th in the tournament, defeated top seed Hingis 6-2 5-7 6-2 to advance to the final match. (Reuters photo)

Williams defeats Hingis to reach Lipton final

KEY BISCAYNE (AFP) — Venus Williams took another step in her campaign to scale the summit of women's tennis on Thursday when she posted her second victory of the year over reigning World No. 1 Martina Hingis.

Williams, the 11th seed in the 4.6 million-dollar Lipton Tennis Championships, defeated the Swiss top seed 6-2, 5-7, 6-2 to reach the final.

Anna Kournikova, the 18-year-old Russian, insured the final will be an all-teen affair when she rallied to beat eighth-seeded Spaniard Arantxa Sanchez Vicario 3-6, 6-1, 6-3.

"I proved to everybody I can play several good matches in a row," Kournikova



Andre Agassi of the U.S. watches his volley return to compatriot Jeff Targano in the first set of their quarter-final match at The Lipton Championships. Agassi, who is seeded 29th in the tournament, defeated unseeded Targano 6-4 6-3. (Reuters photo)

said. "I was surprised, all these matches I haven't been nervous. I learned to be patient. I didn't go for winners right away, and tried to go to the net when possible."

The growing rivalry between Hingis and Williams, both 17, has evened up this year after Hingis beat Williams in all three meetings last year, including the final of the U.S. Open.

Williams beat Hingis in Sydney in January, then lost to the Swiss in the semi-finals at Indian Wells, California, earlier this month.

Hingis acknowledged that Williams is closing the gap. "She is," Hingis said. "She beat me now. She beat me in Sydney. Of course, she is going to be a tough opponent."

Hingis, who had to save two match points to squeak past Williams' younger sister Serena in the previous round, fought off three match points to force the third set against the elder Williams on Thursday.

While youth dominated the women's draw, former men's World No. 1 Andre

Agassi continued his blast from the past, breezing past fellow American Jeff Targano 6-4, 6-3 to reach the semi-finals.

A three-time champion at the event, Agassi improved to 23-3, tying third-ranked Marcelo Rios of Chile for the best record on the ATP Tour this season.

Last year, Agassi was just 12-12, including eight losses in opening-round matches.

Agassi improved to 7-0 all-time against Targano and earned a semi-final clash with eighth-seeded Spaniard Alex Corretja, who beat U.S. qualifier Steve Campbell 6-3, 6-1.

Agassi said he would relish a shot at Rios, who could unseat Pete Sampras atop the world rankings with a victory here.

"It's still a match away but I would look forward to that," Agassi said. "I can't really properly assess somebody's game unless I've faced him. I've never played Marcelo, so I would love to get a look at him."

Manchester United and Arsenal reach time of truth

LONDON (AFP) — Both champions Manchester United and Arsenal face testing encounters on Saturday as the battle for Premiership supremacy reaches an intriguing stage, and relegation and UEFA Cup places loom ever nearer.

Defeat for either of the country's two leading sides could spell catastrophe for their chances of capturing the title. It is a time of truth, deep belief, and an indication of whether Frenchman Arsene Wenger's in-form Arsenal squad are beginning to bridge the north-south red divide.

Should Manchester United lose their eighth match of the season, and Arsenal win, Alex Ferguson's men will be at the mercy of Arsenal's traditionally strong finish to the season.

Conversely, for Arsenal, still with the chance of securing the third double in the history of their Marble Halls, a loss could seriously dent an unshakable belief which has grown in their abilities — and new signings — as 1998 has progressed.

Manchester United, who meet Wimbledon at Old Trafford, will now concentrate the forces of their strong squad on the single trophy which remains for them, after the naive belief that they could force a result at home without an away goal and 0-0 draw

with Monaco in the Champions' League quarter-final.

Arsenal, six points behind them with three matches in hand, meet Sheffield Wednesday at Highbury, having enjoyed a run which includes a single defeat — against Chelsea in the semi-final of the League Cup — since being routed at Highbury by Blackburn in the league on December 13.

Crucial at Highbury could be the absence of Frenchman Emmanuel Petit, who has forged a strong midfield partnership with compatriot Patrick Vieira this season, the second line of a strong containing side which has still only conceded four defeats in the Premiership, less than any other side.

Petit picked up a leg injury in the friendly against Russia on Wednesday which could rule him out of action.

Wenger will have to juggle his line-up with 'keeper David Seaman likely to return, although reports earlier this week suggested that he had suffered another setback on the finger injury which has kept him out for six weeks.

Relegation-threatened Tottenham must take their chances at Selhurst Park against bottom side Crystal Palace to give them the launchpad for a revival in the final weeks of the season. Striker Les Ferdinand is ruled out of Saturday's game with a back injury,

but according to Swiss coach Christian Gross he is not a long-term absentee.

"Les has recovered from a knee ligament injury, but that gave him a back problem and a hamstring strain. However, he is receiving treatment and hopes to be back soon," Gross said.

Newcastle face a tricky confrontation away in front of partisan Southampton support at The Dell, fighting the spectre of relegation following the embarrassment and scandal which has emerged within their board of directors in the past fortnight.

Crucially, they will need to fuel their confidence against Southampton ahead of their next encounter — against Manchester United.

Newcastle's Republic of Ireland international goalkeeper Shay Given believes that the players' resolve to stay in the Premiership has been strengthened rather than diminished by events off the field. Given said: "It's a tough prospect but if we can get a result at The Dell we'll face United with a lot of confidence and I'm particularly looking forward to that one as I've never even played at Old Trafford before."

SPORTS IN BRIEF

Kanchelskis announces international retirement

MOSCOW (AFP) — Russian wing Andrei Kanchelskis announced here on Thursday that he was retiring from international football. "After the years spent in the national team I feel tired and am finding it hard to motivate myself for the European championship qualifiers," the 28-year-old former Manchester United forward said. "Now I would like to concentrate on playing for my club (Fiorentina)," he added.

Kanchelskis said he was making the announcement long before the qualifiers begin so Boris Ignatyev, the coach of the Russian national team, would have enough time to find a replacement for the right wing slot.

Curcic leaves Villa for Palace

LONDON (AFP) — Yugoslavian playmaker Sasa Curcic finally signed for Crystal Palace on Thursday after he overcame problems surrounding a work permit.

The 26-year-old, whose work permit problems ended when he married his English girlfriend earlier in the week, signed a three-year contract with the Premiership's bottom side in a £1 million (\$1.5 million) deal. "This is a dream move and I am looking forward to a successful career at Palace and believe there is enough quality in our current squad for us to stay in the Premiership," he said.

Palace's Italian player-coach Attilio Lombardo was relieved to have got his man. "Sasa is a quality attacking midfielder and becomes a key member of our squad in our fight against relegation," the bald former Italian international wing said.

Aigner slams Havelange and Blatter

GENEVA (AFP) — Gerhard Aigner, general-secretary of UEFA European football's governing body, slammed outgoing FIFA President Joao Havelange and Aigner's FIFA counterpart Sepp Blatter on Thursday saying they had abused their positions.

Aigner, whose current boss Lennart Johansson is for the moment the sole candidate to replace Havelange in the June 8 election, also accused the duo of employing heads of state to coerce football federations to nominate Blatter to take on the 69-year-old Swede.

"The president and secretary general of FIFA are trying to stop the UEFA candidate and are not afraid to abuse their positions to do this despite the fact they are obliged under FIFA rules to remain neutral over the question of the succession," Aigner wrote in the latest issue of UEFA's magazine.

"Who would have thought that the race to succeed Joao Havelange would be conducted in such a pitiful manner by its own directors," he added.

Aigner then launched what could be interpreted as a thinly veiled attack on French President Jacques Chirac, who is believed to be trying to push French Football Federation (FFF) President Claude Simonet to nominate Blatter.

"Now we learn that even heads of state are being mobilised in favour of

Blatter's candidature and they are going to use their influence on former colonies to encourage their federations to nominate the secretary-general," Aigner wrote.

Sources in Paris said there had been intense pressure on the French Federation to put forward the Swiss-German.

But Simonet denied he would give Blatter his backing.

"France will not propose Mr. Blatter's candidacy," he said.

In Zurich earlier this month Johansson insisted he had received two letters from Simonet pledging his support.

But the 69-year-old Johansson feared French President Jacques Chirac might use his position to sway the FFF.

"But there will be an outcry if Chirac does," said Johansson.

Aigner, who would not have been amused by Havelange's attack last month on how the Latin nations should fight the "Germanisation of world football" and that if Johansson was elected it would let Germany in through the back door, then said that the autocratic Brazilian and his Swiss acolyte were worried by Johansson's candidacy succeeding.

"Apparently they believe that the UEFA executive committee and the European federations (of which 50 of the 51 signed Johansson's nomination

papers) committed a faux pas by nominating one of their own."

"What's more Mr. Johansson 'rudely' presented a manifesto for the future of world football. That apparently wasn't what was wanted and considered arrogant."

"These attacks of Havelange's aren't just addressed at the UEFA president but also at UEFA as well."

"European football is being pilloried because in contrast to FIFA we are seeking greater democracy in football."

"What's more Blatter despite the restrictions imposed on him by his contract and with the help of his boss is pushing to be a candidate without having declared openly that he will be one."

Despite Aigner's attacks Blatter is likely to announce his candidacy in Paris on Monday, when he appears at a press conference with French footballing legend Michel Platini, who is also on the World Cup finals organising committee and rumoured to be a candidate to succeed Blatter in the general-secretary post — the theme of the conference "FIFA and the presidency".

Beardsley teams up with Keegan at Fulham

LONDON (AFP) — Former England forward Peter Beardsley joined up with Kevin Keegan again on Thursday in a loan move to Second Division Fulham from Bolton, where he had struggled to make an impact.

Beardsley was an integral component in Keegan's squad at Newcastle and Fulham's chief operations officer is delighted to have signed the striker to help the club's promotion push.

Keegan said: "I think it is great for the supporters, the players, the club and myself. He is a player I have spent many years with. He is 36, as fit as a fiddle and a tremendous inspiration to those around him."

"His greatest asset besides his undoubted ability is his enthusiasm."

Keegan has signed Beardsley until the end of May, evidently for the promotion push. "I have him for 10 games, all the way to the play-offs," he said.

"It is no good to Peter if he is not playing football," said Keegan. "He just wanted to play. He loves the game and it is great to have him involved."

"Both myself and Ray Wilkins are excited about working with him. It is a great coup for the club. Peter is well-respected and a tremendous ambassador for football."



Eighth seed Arantxa Sanchez Vicario of Spain tosses a tennis ball after losing the first set of her semi-final match against 23rd seed Anna Kournikova of Russia. (Reuters photo)

TODAY AT	PHILADELPHIA '1'	PHILADELPHIA '2'	PLAZA	CONCORD	GALLERIA 2	GALLERIA 1	Hisham Yousif Theatre
	Leonardo Di Caprio ... in		The biggest cinema production	Kim Basinger... in	ABDOUN	ABDOUN	STARTING APRIL 6TH
	ROME0 & JULIET	SALT ON OUR SKIN	TITANIC	L.A. CONFIDENTIAL	GRAND OPENING	GRAND OPENING	Don't Laugh Please
	Shows: 12:30, 3:30, 6:15, 8:30, 10:30	Shows: 12:30, 3:30, 6:15, 8:30, 10:30	Shows: 12:00, 3:00, 7:00, 10:30 p.m.	Shows: 12:30, 3:30, 6:00, 8:15, 10:45	Shows: 5:15, 8:30	Shows: 3:30, 7:00, 10:30	Starring Hisham Yousif, Amal Dabbas, Rania Kundi and the group
				Adel Imam & Yusra ... in	The film is also on at 2:00 p.m. & 12:00 a.m. on Wednesdays, Thursdays and Fridays	The film is also on at 12:00 a.m. on Wednesdays, Thursdays and Fridays	at 8:30 p.m.
				RISALA ILA AL WALI			For reservations call: 4640155, 4625155

'Iraq pumping more crude to compensate for price drop'

BAGHDAD (AFP) — Iraq has increased oil production to make up for the fall in crude prices, Saddam Zeb Al Hassan, director of Iraq's State Oil Marketing Organisation (SOMO), said Friday.

"The huge fall in crude prices spurred an increase in the amount of oil Iraq exported in order to make [sales worth] two billion dollars every six months as decided in the oil-for-food agreement" with the United Nations, Mr. Hassan said. "[SOMO] has taken the

initiative to sign contracts with foreign companies to dispose of extra quantities of crude and fill in the deficit caused by the decline in prices," he was quoted by the official INA news agency as saying.

Mr. Hassan said 48 oil contracts have been concluded for phase three of the oil-for-food programme, which covers December 1997 to June 1998.

The U.N. Security Council decided Feb. 20 to raise the amount of crude Iraq may sell every six

months to \$5.2 billion from the present \$2 billion.

The proceeds of the sales are to be used for food and medical supplies and pay compensation for the 1990 invasion of Kuwait.

Iraq has said, however, that because of the deterioration of its oil facilities due to the 1991 Gulf War and U.N. embargo it cannot boost its oil exports at present to more than \$4 billion every six months.

A team of U.N. oil experts left Iraq Sunday after a two-week mission to assess

Iraq's request for U.N. authorisation for spare parts imports to boost its export capacity.

Iraq, an OPEC member, has been under a U.N. embargo since it invaded Kuwait and the oil-for-food programme, which went into effect in December 1996, was the first alleviation of the embargo.

Crude prices fell recently to nine-year lows but have recovered some ground this week following an initiative by OPEC and non-OPEC producers to cut output.

Second PKK commander surrenders in north Iraq

ANKARA (AFP) — A high-ranking member of the separatist Kurdistan Labour Party (PKK) has surrendered to a Turkish-backed group in northern Iraq, the second in less than two weeks, the Turkish press said Friday.

Cemil Bayik, also known as "Cuma" and one of the most senior commanders in the PKK's military wing, The Popular Army for Kurdistan's Liberation (APK), surrendered to forces of the Turkish-allied Kurdistan Democratic Party

(PKK) in the last few days, said the report.

Fellow commander Serdin Sakik surrendered to the ARKG of Iraqi Kurd leader Massoud Barzani on March 16, after an apparent falling out with PKK leader Abdullah Ocalan.

Neither Turkish authorities nor a PKK representative here would confirm Mr. Bayik's reported surrender, which was refuted by a member of the German-based pro-PKK news agency Dem, contacted by telephone from Ankara.

The PKK has been allied with Turkey against the PKK since last May. Ankara has launched a series of military operations across the border after accusing the PKK of using northern Iraq as a rear base for military strikes in Turkey.

More than 29,000 have died in fighting since the PKK launched an armed rebellion in 1984 aiming to create an independent Kurdish state in the majority-Kurd south-east of Turkey.

UAE deports thousands of AIDS victims

ABU DHABI (AFP) — The United Arab Emirates (UAE) has deported more than 5,700 foreigners carrying the AIDS virus as part of a drive it launched in the mid-1980s to fight the deadly disease, an official said on Friday.

Tests on nearly 5.6 million people over the past 13 years showed 5,759 carried the HIV virus which causes Acquired Immune Deficiency Syndrome, Health Ministry Undersecretary Abdul Rahim Jaafar said.

"Those tested positive have been deported in line with the laws in the UAE," Mr. Jaafar told local newspapers.

He did not mention the nationalities of the patients but the bulk of the foreign population in the oil-rich Gulf country are Asians, mostly from India, Pakistan, Bangladesh, Sri Lanka and Afghanistan. Other main expatriate communities are Arabs, Iranians, Filipinos and Britons.

The UAE launched an anti-AIDS campaign in 1985 after a sharp increase in persons infected with the disease. The victims also included nationals, who are isolated in special centres at key government hospitals. The campaign includes seminars, stopping blood imports, compulsory screening of residents and the purchase of advanced medical equipment. Around \$1.5 million is earmarked annually for that drive.

Lebanese Amal official unscathed in Israeli planted bomb explosion

TYRE (AFP) — A senior official of the Amal movement escaped unhurt Friday when three remote-controlled bombs planted by Israeli troops exploded as his car drove past in south Lebanon, police said.

The devices, camouflaged as rocks and placed on the roadside, blew up as Nasser Nader's car went by heading for the village of Bouj Kalaweh, six kilometres north of the Israeli-occupied buffer zone, police said.

The bombs damaged Mr. Nader's car, broke the windows of a nearby house and left craters 50 centimetres deep, police said.

The explosion occurred as Israeli planes flew over the area near the port of Tyre, "just like during similar attacks in recent months," a police officer said.

A source said that Mr. Nader is in charge of Amal's paramilitary organisation, which has periodically claimed responsibility for attacks against Israeli troops in the "security zone" set up by the Jewish state in south Lebanon.

The Shiite-Islamist Amal said that "no matter what methods are used by the Israeli enemy, its crimes will not stop us from continuing the [armed] resistance" against

Israeli forces in south Lebanon.

In a statement distributed in Tyre, Amal said Friday's attack is a violation of the April 1996 truce arrangement under which the warring parties in south Lebanon agreed to spare civilians and not to launch attacks from civilian areas.

Amal said it had asked Lebanon to file a complaint about the attack with the international panel monitoring the ceasefire.

Israel occupies the south Lebanon zone to prevent cross-border attacks on its northern territories by anti-Israeli guerrillas.

Top Turk body meets on anti-Islamist crackdown

ANKARA (AFP) — Turkey's top civilian and military leaders were expected to resolve Friday an army-government row on how to fight Islamism and to announce radical measures against extremists.

The National Security Council (MGK), Turkey's highest decision-making body, was to begin its crucial monthly meeting Friday afternoon.

The council groups Prime Minister Mesut Yilmaz, the president, the ministers of defence, interior and foreign affairs and top five military commanders.

The MGK talks follow mounting tension between the government and the army last week when Mr. Yilmaz urged the generals "to back off and mind their own business."

The quarrel over what the army sees as the government's inefficiency to fight

Islamism raised public fears of a military coup.

But Mr. Yilmaz last Sunday swallowed his harsh remarks, stressing that his coalition government believed there "is no difference between the cabinet and the military" on fighting religious extremism.

Since then Mr. Yilmaz has been seeking to further defuse the situation, and sources close to the government suggested he was likely to accept fresh proposals by army generals who see Islamism as the greatest threat to Turkey's secular regime.

On Monday, Mr. Yilmaz announced a series of anti-Islamist measures, including plans for new legislation to control the activities of organisations, foundations, schools and other institutions suspected of supporting or financing Islamism in Turkey.

The construction of new

mosques will also be made subject to authorisation from the Department of Religious Affairs, a state-run agency reporting to the prime minister.

Laws governing the right to assembly are to be tightened, and stiffer penalties imposed on Islamic violations of the dress code for public office.

But press reports said Mr. Yilmaz's measures fall short of those demanded by the military, which also wants the government to sack the governors of some 20 of Turkey's 80 provinces, who are reportedly sympathisers of the Islamist movement.

In addition, the generals will present a report on the activities of an influential religious sect leader, Fethullah Gulen, whose long-term goals, they maintain, is to help establish an Islamist state in Turkey.

The military also favours

government decrees and strict implementation of existing legislation, to prevent the conservative-dominated parliament dragging its feet over the approval of anti-Islamist laws.

In a clear reference to Mr. Yilmaz, Turkey's top generals released a harsh statement one week ago, warning that "no one can discourage the army's determination to fight fundamentalism for his personal interests and political ambitions."

In private talks, military officials have accused Mr. Yilmaz of trying to win the sympathy of religious voters by adopting a soft approach to the "fundamentalist threat."

The military, which played a vital role in forcing an Islamist-led government to resign last year, has staged three coups in the last 38 years — in 1960, 1971 and 1980.



THE SENSATION OF BEING GIANT: Dutch Prime Minister Wim Kok tip toes through miniature streets of Amsterdam during the official annual opening of the amusement park 'Madurodam' in The Hague on Friday. Madurodam shows scale models of Dutch landmarks and is one of The Hague's main tourist attractions (Reuters photo)

Indian Supreme Court stays death sentences for Rajiv Gandhi murder

NEW DELHI (AFP) — India's Supreme Court Friday stayed the death sentences of 26 Indians and Sri Lankans found guilty of involvement in the 1991 assassination of former Prime Minister Rajiv Gandhi, court officials said.

The 26 were condemned to hang by a special court in January for conspiracy to murder.

A panel of three Supreme Court judges said it would hear appeals on behalf of the accused, listed as members or sympathisers of the Liberation Tigers of Tamil Eelam (LTTE) of Sri Lanka.

A court in Madras on Jan. 28 found the LTTE, which is fighting for an independent homeland in Sri Lanka's north and east, guilty of assassinating Gandhi at an election rally near Madras on May 21, 1991.

The Supreme Court ruling will mean an immediate delay of two months after it called for the case records to be translated from Tamil, the state language of Tamil Nadu, into English.

It ordered 100 translators to be employed and said the work should be completed in two months.

"The hearing on the appeal will start immediately thereafter," the judges said.

The January judgement followed almost seven years of investigations, dur-

ing which 1,044 witnesses were cited by the prosecution.

The prosecution produced 1,477 documents, running to about 10,000 pages, and 1,180 other pieces of evidence.

The court ruling was the first time members of the LTTE, which is outlawed in Sri Lanka, India and the United States, have been found guilty by a court of a political assassination. The LTTE has repeatedly denied it killed Gandhi.

Gandhi, Indian premier from 1984-89, was killed when a female suicide bomber detonated explo-

sives strapped to her body while pretending to touch his feet as a mark of respect. "The issue of who was behind the killing sparked just concluded national elections after a member of the previous minority coalition was linked to the LTTE."

Gandhi sent Indian troops to Sri Lanka in 1987 to try to help end the separatist struggle there.

But the troops soon became the target of the LTTE, who saw them as siding with the Sri Lankan government. Nearly 1,200 Indian troops died before the force was withdrawn.

JKLF calls for Kashmir reunification; independence

ISLAMABAD (AFP) — A reunited and independent Kashmir is the only solution to the 50-year-old dispute over the territory between Pakistan and India, the Jammu and Kashmir Liberation Front (JKLF) said Friday.

"This is the only peaceful, equitable and permanent solution which can be implemented without hurting the national egos of India and Pakistan," JKLF chairman, Amanullah Khan, said in a statement.

An independent Kashmir should have a democratic, federal and non-communal system of government and maintain friendly relations with both New Delhi and Islamabad, Mr. Khan said.

He urged the international community to "persuade, even pressure" the governments in Pakistan and India to resolve the dispute on the basis of his proposal.

JKLF, a militant organisation, is among more than 30 Kashmiri groups waging a separatist campaign in the Indian-controlled southern two-thirds of Kashmir. The campaign has left more than 20,000 people dead since 1989.

Iran's pilgrims make quiet return to Iraqi holy cities

By Steve Kirby
Agence France Presse

NAJAF — Ten years after the end of the Iran-Iraq war, Iranian pilgrims are returning to Iraq in such large numbers that hotels in this Shiite Muslim holy city have started putting up signs in Persian.

"Please leave your valuables at reception," a Persian-language sign urges guests at the entrance to the Zamzam, the smartest hotel in Najaf, 160 km south of the capital.

"We had the signs put up a month or two ago because almost all our guests are now Iranian," said assistant manager, Abed Ali Khataa.

"We are getting so many requests for bookings from Iranian groups that we are

having to refer a lot of them to other hotels around the city."

As if to prove his point, a member of staff called him away to the telephone to deal with a request for rooms from a party of Iranian pilgrims.

But the 120-bed hotel was already fully booked with a large party from Iran who had just finished eating lunch.

The two governments do not officially admit to the Iranian pilgrims' renewed presence in Iraq — the former foes have yet to sign a peace treaty formally ending their 1980-1988 war.

And when Baghdad announced it was opening its border to Iranian pilgrims last September, Tehran dismissed the move as a propaganda ploy.

But although Iran still allows only third-country nationals to cross its 1,300 km land border with Iraq, Iranian pilgrims have been coming here via third countries.

"The first handful came in September," Mr. Khataa said. "Since then, we've been getting more and more."

The majority come from Damascus using the border crossing newly opened last year, but others come from Amman, Iraqi tour guides told AFP.

"Our company handles pilgrims coming from Damascus, but others take them from Amman," said Jassim Mohammad, representative of the privately-owned Khataa tour firm. He said his company han-

dled around 50 Iranian pilgrims a week through the Lebanese firm Wafa which took the bookings from Iranians in Damascus.

Mr. Mohammad said his own company had only been bringing Iranian pilgrims to Iraq "for a month or two," but other companies had started "four or five months ago."

He said the government-owned Al Hoda firm had been the first. Since then private operators had started running tours too, making "perhaps 15 companies in all."

The pilgrims have been seizing the opportunity to visit holy sites which had been barred to them for the best part of two decades. Najaf is the centre of religious instruction for the

whole Shiite world and contains the shrine of Ali, cousin of the Prophet Mohammad and fourth Caliph, who was the Shiites' first imam.

But it is just one of five so-called golden mosques in Iraq which house the tombs of Shiite imams and draw pilgrims from around the world.

The Iranian pilgrims are given just a week in Iraq to visit all the sites — two nights each in Najaf, Baghdad and the holy city of Karbala, 100 km south of the capital.

"All three cities used to have large Iranian populations before the war," said Nabil Shawkat as he escorted a party of 54 Iranians around the Abbasiya shrine in Karbala for the privately-owned Mesaa company.

A Christian himself, he learnt Persian living alongside Iranians near the Qadimiya shrine in Baghdad.

But the manager of the Zamzam hotel said it had been so long since the Iranians had been forced to leave that communication was now proving a problem.

"None of our staff speak any Persian and very few of the Iranians who come speak any Arabic or English," he said.

Mr. Mohammad said that at first the Iranians had no idea what treatment to expect so the tour groups consisted entirely of men. "Now they are bringing their wives and families too," he said.

The Iranian pilgrims' presence in Iraq is still enough of a secret that none would speak to AFP.

But their return is bringing a mini-boom to Iraq's Shiite holy cities.

"There are a lot of hotels under construction here — the first should be ready in six months," Mr. Mohammad said.

The holy cities are now waiting for the growing trickle of the last six months to become a flood with the resumption of direct travel across the Iran-Iraq border.

An Iranian delegation visited Baghdad to discuss the issue earlier this month, and the official Iraqi news agency INA reported an agreement was signed on March 10.



Schwarzenegger to battle against the devil

LOS ANGELES (AFP) — U.S. action movie star Arnold Schwarzenegger will do battle against the devil in a supernatural thriller titled "End of Days," Daily Variety newspaper reports. The film, scheduled to be shot this summer, will be the Austrian-born muscleman's first effort since he played the arch-fiend Mr. Freeze in 1997's "Batman and Robin." Budgeted at \$100 million, "End of Days" does not yet have a director.

Law to end age-old discrimination against women

MADRID (AFP) — Spain is expected to adopt legislation enabling children to use the family name of either mother or father as their main surname. At present, a Spanish citizen's surname traditionally is composed of the father's family name, followed by that of the mother. Under the new law, which is expected to sail through parliament, a Spaniard may choose to use the mother's name, followed by the father's. Press reports said the law would put an end to age-old discrimination against women.

French screen star Alain Delon calls it quits

PARIS (R) — French movie actor Alain Delon, heart throb and screen tough guy for over four decades, has decided to quit films. "I think I've said everything I wanted to say in cinema. I don't feel like saying anything else. I think I'd better retire," a disabused Delon, 62, said in a live television interview. The notoriously moody Delon is known to have been highly disappointed by public indifference to his last three films, all box office flops.

Pigs to get five-star treatment in Britain

LONDON (AFP) — A \$370,000 grant from Britain's national lottery has been awarded to give a herd of pigs a life of luxury. The money will be spent on pens with under-floor heating, snout-operated showers, computer-controlled lighting and even electronically-operated curtains to keep the draughts out. Toys will be also be provided to prevent the animals from getting bored, and they will be served a choice of food at Whinlow Hall Farm, an educational centre for disabled and inner-city children in Sheffield, northern England. A charity for the homeless, The Simon Community, branded the grant an "appalling insult."

Indian city awash in dirty money

NEW DELHI (AP) — In other parts of India, merchants and even beggars won't accept torn, soiled bills. But new money is in such short supply in the central city of Bhopal, people are wrapping ragged notes in plastic so they can be used. Without the plastic, the old money might disintegrate as it changes hands, United News of India reported. Cashing in on the wide acceptance of torn currency in the city, enterprising businessmen are buying up soiled notes at a discount in other parts of the country and dumping them in Bhopal.

NBA enters final month with much at stake

CHICAGO (AFP) — One month before the start of the National Basketball Association playoffs, favourites are scrambling for home-court advantage while mid-level teams struggle to merely make the playoffs.

The Chicago Bulls have the NBA's best record at 53-17 but must withstand a challenge from Seattle, 52-17, and Utah, 51-17, to regain the edge that helped them past those clubs in the past two NBA finals.

The Bulls won their seventh game in a row, beating Orlando 85-70 on Wednesday behind 23 points from Scottie Pippen and 17 from NBA scoring leader Michael Jordan, who averages 28.4 a game.

Jordan said the Bulls would struggle early in the season with Pippen injured and they did, with Dennis Rodman in a funk and offensive woes mounting.

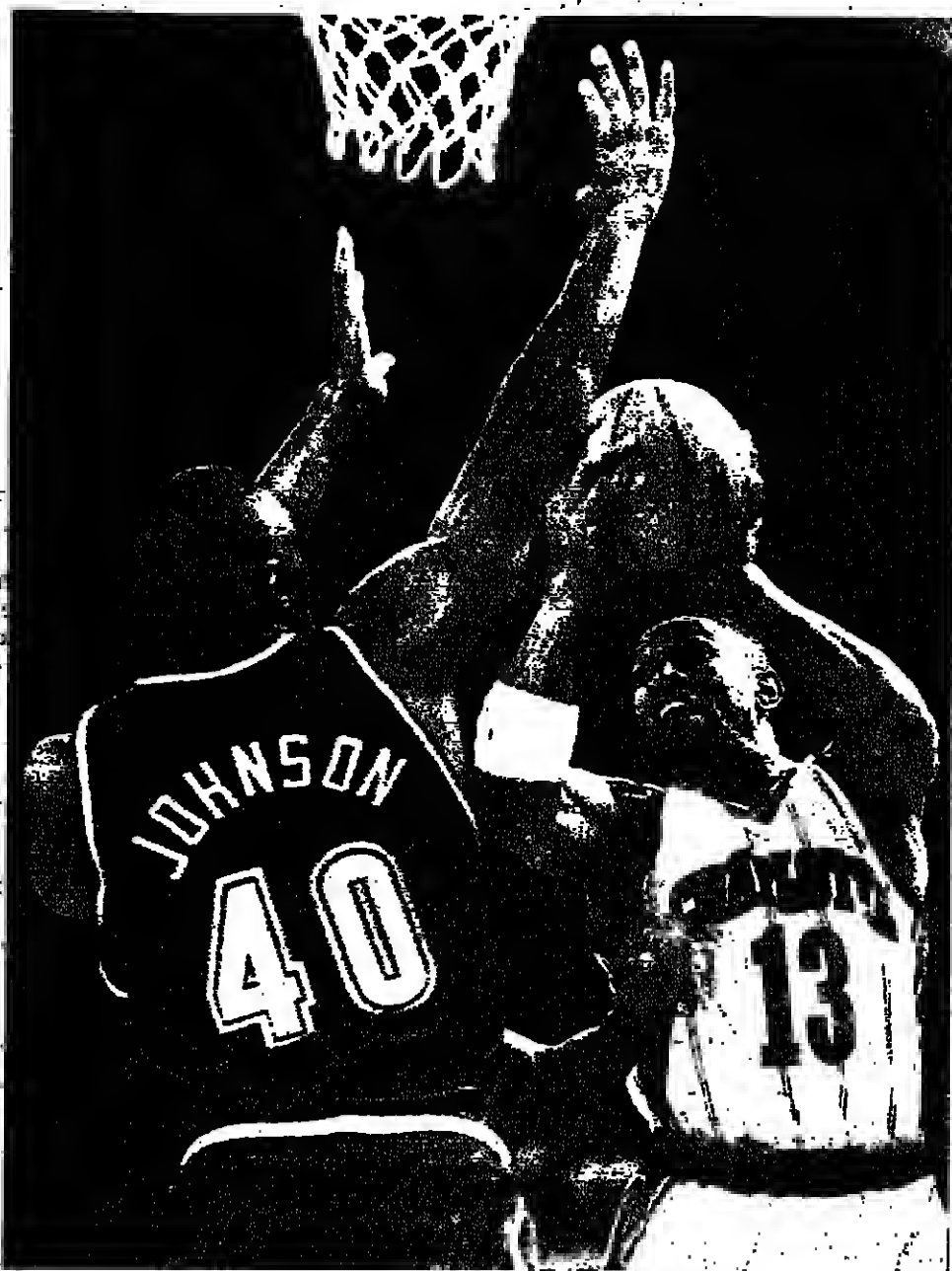
But since then, the Bulls have recovered. Rodman leads the league with 15.1 points a game and has been as tame as anyone with his wild hair coloring can.

Jordan, for his part, still takes inspiration from his 1995 playoff ouster at the hands of Orlando when he played only a small portion of the season after ending a retirement that included playing baseball.

"It was an eye-opening situation," Jordan said. "I was naive about what I could do coming back from baseball. I came back and thought I could just turn it on. The failure I had woke me up to say, 'Hey, you've got to put forth the effort, put forth the work. Then the results will come back.'"

They are back. Just ask Miami and Indiana. The Heat, led by Alonzo Mourning and Tim Hardaway, and the Pacers, guided by Larry Bird and sparked by Reggie Miller, have improved but still can't overtake Chicago.

Hardaway, whose club



Charlotte Hornets' guard Bobby Phillips (R) drives on Milwaukee Bucks center Ervin Johnson during first half NBA action at the Charlotte Coliseum (Reuters photo)

NBA RESULTS

Cleveland	97	Toronto	96
Charlotte	94	Milwaukee	80
Portland	108	Vancouver	102
Golden State	98	Seattle	91

lost to the Bulls in last year's semi-finals, said he knows where the Heat must do to win a showdown with the Bulls this year.

"We can't turn the ball over, we've got to make the shots, we have to run our offense to perfection," he said. "We have to be more intense and ready to play in all situations."

Charlotte and Atlanta also appear set for Eastern Conference playoff spots but behind them is a six team scramble for three remaining berths. All clubs involved are within 4 1/2 games.

New York and Cleveland have the edge

with New Jersey and Washington even for the final spot while Orlando and Detroit give chase.

In the West, division leaders Seattle and Utah are the teams to beat.

The Sonics traded away Shawn Kemp but Vin Baker and Gary Payton have each produced 19 points a game and Seattle has won three of four from their nearest rivals, the young Los Angeles Lakers.

"We've just got to keep playing well and hopefully we will have the best record and home-court advantage throughout the playoffs," Payton said.

Utah coach Jerry Sloan is more concerned about keeping Karl Malone, John Stockton and the rest focused on games, not the standings.

"I would rather have them working hard and coming out every day thinking about basketball than to look at the records," Sloan said.

The Jazz face the Lakers on Saturday and visit

Seattle on March 31, but the fight could go down to their season-ending visit to the Lakers on April 19.

The Lakers are trying to topple the clubs who ousted them in the playoffs the past two years. Seattle won a seven-game series in 1996 and Utah ousted the Lakers in the NBA quarter-finals last year.

San Antonio, bolstered by rookie forward Tim Duncan and the return of a healthy David Robinson, join Phoenix in the next two playoff berths, leaving Portland, Houston and Minnesota to divide the final three spots.

Sacramento is next closest, 10 1/2 games back of Minnesota for the final spot.

The loser with the most at stake, however, might be Denver. At 8-62, the Nuggets have only 12 games to try and surpass the NBA record for fewest victories in a season, nine, owned by the Philadelphia 76ers.

First Division Basketball Championship Ahli take on Orthodoxi tonight

By Aileen Bannayan
Jordan Times Staff Reporter

AMMAN — Two former champions — Al Ahli and Al Orthodoxi — meet Saturday evening with both teams hoping to come away with a win that would restore the confidence of their officials as well as fans before facing leaders Al Jazireh next week.

Throughout the past three decades, the match used to be the highlight of the First Division Basketball Championship which was won last year by Al Jazireh ending a 30-year domination among the two rivals.

Al Orthodoxi had an undisputed reign from 1976-1989, but Al Ahli won the title in 1990, 1992, 1993 and 1994 aided by the signing of Naser Bushnaq.

Al Orthodoxi came back to win in 1991, 1995 and 1996.

This season, Al Ahli are currently third after losing to Orthodoxi 74-49 before improving their image in their 75-69 loss to Al Jazireh.

Al Ahli came in second last year and have been tackling technical obstacles

for the past two seasons. Their pre-season training was delayed while they were looking for a coach while working on the return of their veterans Yousef Zaghoul and Marwan Ma'touq to the lineup after missing last season.

Al Orthodoxi ended up in third place last year and are hoping to resume their dominance of the game. They are led by Hilal Barakat together with younger stars Ayman Du'eis, Fadi Saqqa and Nasser Bassam.

Al Orthodoxi's only defeat was 92-84 to titleholders Al Jazireh. But regardless of their results in the two rounds, the top three teams will have a

shot at the title with introduction of the playoff system this year.

Al Jazireh scored a 115-38 win over Al Hussein in Irbid Thursday night as they continued their unbeaten streak.

In the other weekend match, Al Jalil scored a crucial 75-50 win over Al Jeel to whom they had lost 61-60 in the first round.

It was Al Jalil's second win of the tournament after they beat Al Hussein 47-35 in the first round.

Al Jeel and Al Jalil will therefore be aiming to beat Al Hussein to secure their place in the six-team group to avoid the relegation-threatened last place.

STANDINGS

Team	P	W	L	SF	Sa	Pts
Jazireh	7	7	-	674	397	14
Orthodoxi	6	5	1	529	336	11
Ahli	6	4	2	412	363	10
Jalil	7	2	5	378	489	9
Jeel	7	2	5	404	603	9
Hussein	7	-	7	379	486	7

French top two poised for heated battle

PARIS (AFP) — The top two in the French league Metz and Lens, separated by just a point, clash on Sunday in what could prove to be the decisive match for the unglamorous duo — though Marseille are still breathing down their backs.

Elsewhere in the equally tight race in Italy leaders Juventus meet struggling AC Milan while their two rivals for the title Inter Milan and Lazio play Vicenza and Udinese respectively all on Saturday.

In Germany Bayern Munich have a chance to make up some of the six point gap on Kaiserslautern as they play relegation threatened Karlsruhe and the leaders are at home to third placed Bayer Leverkusen.

The Spanish race is seemingly all but over as seven point leaders Barcelona play Celta Vigo and their bitter rivals Real Madrid, who have also played a game more, play Valladolid.

The least of Lens' problems is the fact that they are playing in Metz as their coach and president have threatened to just play their reserve side if their hosts are able to play Frederic Meyrieu.

Lens are protesting that Meyrieu, who used to play for them, had a one match ban temporarily lifted by the French Football Federation's (FFF) ethics committee on Wednesday.

Lens president Gervais Martel said he was taking the matter to the French National Olympic Sports Committee (CNOSF) who in theory could overrule the FFF's decision.

"I have nothing against Metz or Meyrieu but I have taken this step so the principles, the rules and the ethics of the sport are maintained," Martel said.

Away from off the field matters Lens, who unlike Metz have won the title before when they won the

1944 Occupied France title, will hope to have their star Czech striker Vladimir Smicer in as sharp a form as he showed when he put one past the Republic of Ireland in his side's 2-1 win on Wednesday.

Metz will be reinforced by their French international Robert Pires and keeper Lionel Letizi, who will

when they kick off in Turin

After three draws in their last four games, Italy's reigning champions are now just one point clear of Inter Milan and two ahead of Lazio, both of whom play on Saturday afternoon.

Marcello Lippi's main worry is over playmaker Zinedine Zidane, whose

ankle injury ruled him out of France's friendly against Russia this week and who now faces a fitness test.

Inter are, meanwhile, at home to fellow Euro semi-finalists Vicenza.

Lazio face the toughest assignment of all the top sides, at Udine.

Udinese, who have Serie A's top striker in 19-goal German ace Oliver Bierhoff, are lying fourth in the table — three points behind Lazio — and hopeful of a place in the next Champions League.

They must win on Saturday to keep that dream alive, or this season's revelation in the Serie A will have to settle for the UEFA Cup, along with the likelihood of losing Bierhoff to a bigger club.

However, if Udinese are in a must-win situation, the same is equally true of Lazio.

The Rome club, aiming to win the league for the second time in their history, need to make up points on Juventus before their showdown at the Olympic stadium on April 5.

Bayern Munich have not given up the chase on Kaiserslautern and will expect to get three points on

Saturday against Karlsruhe who are seeking fresh inspiration after this week's sacking of coach Winfried Schäfer.

As long as Bayern have a mathematical chance their Italian coach Giovanni Trapattoni says he refuses to countenance defeat.

Kaiserslautern host Bayer Leverkusen, who can now

EUROPEAN SOCCER PREVIEW

devote their full attention to the Bundesliga after Real Madrid eased past them in the European Cup quarter-finals 10 days ago.

Kaiserslautern will not be disposed to do them any favours, especially not at their Betzenberg stadium where they have won 11 of their 13 matches this season.

In Spain runaway leaders Barcelona travel to fourth placed Celta Vigo on Sunday while their fading challengers Real Madrid are also away at mid table Valladolid.

Real may well have their minds more on next Wednesday's European Cup semifinal first leg match with Borussia Dortmund, although coach Jupp Heynckes will want a win so that if the European Cup slips from their grasp the team can still qualify for the Champions League by finishing second.

The 1997 champions should prevail particularly as teenage sensation Raul ended his barren run with a goal against Sweden on Wednesday and the even more promising Fernando Morientes scored a double on his international debut.

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Both vulnerable, South deals.

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♠ Q 8 7 3
♥ K 10 8 4
♦ A K 8 6 3
♣ A 10

EAST
♠ A 10
♥ Q J 6 2
♦ Q 7 6 5 2
♣ Q 8

SOUTH
♠ K J 8 7 4 2
♥ Q 4
♦ A Q J 3
♣ A 10 7

The bidding:
SOUTH WEST NORTH EAST
1♠ Pass 2♠ Pass
3♠ Pass 4♠ Pass
Pass Pass

Opening lead: King of ♣

Study the diagram above, then decide whether you would rather declare or defend four spades after the lead of the king of hearts, followed by the ace after East dropped the Queen.

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